

ORDER NO. _____

IT IS HEREBY ORDERED by the Board of Harbor Commissioners that the three land exchange and relocation agreements with associated deeds and acceptances between:

- i. the City of Los Angeles, acting by and through its Board of Harbor Commissioners, the State of California, acting by and through the State Lands Commission, and the City of Long Beach;
- ii. the City of Los Angeles, acting by and through its Board of Harbor Commissioners, the State of California, acting by and through the State Lands Commission and Ultramar Inc.;
- iii. the City of Los Angeles, acting by and through its Board of Harbor Commissioners, the State of California, acting by and through the State Lands Commission and Air Products and Chemicals Inc.

a. Are authorized by Chapter 651, Statutes of 1929 as amended by Chapter 926, Statutes of 1979, as it appears expedient to the City and in the best interests of the City and the State, and fulfills the purposes set out in the Granting Statutes, and appears that no substantial interference with trust purposes will ensue;

b. Result in the acquisition of interests that have greater or equal monetary value than the interests in land being granted;

c. Grant interests in lands that have been improved, filled, reclaimed and excluded from the public navigation channels, and by virtue of the burden imposed by the existing easements are no longer available, useful or susceptible of being used for navigation, fishing, and for other trust uses and purposes, and are no longer in fact tidelands or submerged lands, and represent a small fraction of the filled and unfilled tidelands within City of Los Angeles, and therefore should be freed from the public trust;

d. Were approved and authorized by the State Lands Commission at its meeting of June 23, 2011 as calendar item number 115;

e. With respect to the City of Long Beach, includes an advance funding provision because the relocation of the City of Long Beach's pipelines and utilities would not be possible without same; and,

f. Are hereby approved, and the Executive Director and the Secretary of the Board are hereby authorized and directed to execute and attest to the same on behalf of the City of Los Angeles upon this Order being approved by the City Council and the Ordinance becoming effective as described below.

The Secretary shall certify to the adoption of this Order by the Board of Harbor Commissioners of the City of Los Angeles and shall cause a copy of the same to be submitted to the City Council as provided in section 7.27 of the Administrative Code of the City of Los Angeles. If the Council shall approve this order and the proposed Ordinance by a two-thirds vote as prescribed by section 7.27 of the Administrative Code of the City of Los Angeles, the Order and Ordinance shall take effect 30 days after publication.

Upon Execution of the Agreements the Secretary shall transmit them to the California State Lands Commission for execution.

I HEREBY CERTIFY that the foregoing Order was adopted by the Board of Harbor Commissioners of the City of Los Angeles at its meeting of _____.

ROSE M. DWORSHAK
Board Secretary

APPROVED AS TO FORM

_____, 2011
CARMEN A. TRUTANICH, City Attorney

By: _____
KENNETH F. MATTFELD, Deputy

ORDINANCE NO. _____

An ordinance approving Order No. ____ of the Board of Harbor Commissioners of the City of Los Angeles authorizing the relocation of permanent easements in the Wilmington District of the City of Los Angeles by means of an exchange to facilitate construction of a hiring hall and a rail switching and classification yard near Berth 200 in the Port of Los Angeles.

WHEREAS, The City, acting by and through its Board of Harbor Commissioners, is the trustee of certain tide and submerged lands within the City as granted by Chapter 656, Statutes of 1911, as amended by Chapter 115, Statutes of 1917, Chapter 768 Statutes of 1921, Chapter 651, Statutes of 1929, Chapter 443, Statutes of 1951, Chapter 1046, Statutes of 1970, Chapter 926 Statutes of 1979, Chapter 923, Statutes of 1985, and Chapter 1130, Statutes of 2002 ("Granting Statutes").

WHEREAS, In 1969 the City filed a quiet title action captioned *City of Los Angeles v. Los Angeles & Salt Lake Railroad Co. et al.*, Los Angeles Superior Court Case number 961846, to resolve disputes over ownership of more than 225 acres of land in the Wilmington District of the City of Los Angeles lying West of Henry Ford Avenue in the general vicinity of the Consolidated Channel.

WHEREAS, The quiet title action was resolved in a settlement between Union Pacific Land Resources Corporation, Champlin Petroleum Company, the City of Los Angeles, and the State of California, which was recorded on March 31, 1980 as instrument no. 80-325180 by the County Recorder of Los Angeles County.

WHEREAS, Pursuant to the terms of the settlement, the enactment of 1979 Stats. Chapter 926 by the State of California, Order No. 4903 of the Board of Harbor Commissioners, Ordinance No. 153520 of the City of Los Angeles, and a Waiver and Release executed by the State Lands Commission and recorded on March 31, 1980 as instrument no. 80-325188 by the County Recorder of Los Angeles County, the City acquired from Union Pacific and its subsidiaries title to the surface estate in approximately 80 acres lying north of the Consolidated Channel and 5.25 acres lying south of the Consolidated Channel with Union Pacific reserving and retaining the underlying mineral interests, and reserving precisely defined surface entry and use rights to serve continuing oil and gas producing operations as well as a pipeline and utility corridor serving the Champlin refinery.

WHEREAS, Union Pacific's interests in the land are now held variously by the City of Long Beach, Ultramar Inc., and Air Products and Chemicals Inc.

WHEREAS, these interests need to be relocated to facilitate the construction of a hiring hall and a rail classification and switching yard in the vicinity of Berth 200 in the Los Angeles Harbor.

NOW THEREFORE,

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. Order No. _____, adopted by the Board of Harbor Commissioners on July 7, 2011 is hereby approved. Said Order is as follows:

ORDER NO. _____

IT IS HEREBY ORDERED by the Board of Harbor Commissioners that the three land exchange and relocation agreements with associated deeds and acceptances between:

iv. the City of Los Angeles, acting by and through its Board of Harbor Commissioners, the State of California, acting by and through the State Lands Commission, and the City of Long Beach;

v. the City of Los Angeles, acting by and through its Board of Harbor Commissioners, the State of California, acting by and through the State Lands Commission and Ultramar Inc.;

vi. the City of Los Angeles, acting by and through its Board of Harbor Commissioners, the State of California, acting by and through the State Lands Commission and Air Products and Chemicals Inc.

g. Are authorized by Chapter 651, Statutes of 1929 as amended by Chapter 926, Statutes of 1979, as it appears expedient to the City and in the best interests of the City and the State, and fulfills the purposes set out in the Granting Statutes, and appears that no substantial interference with trust purposes will ensue;

h. Result in the acquisition of interests that have greater or equal monetary value than the interests in land being granted;

i. Grant interests in lands that have been improved, filled, reclaimed and excluded from the public navigation channels, and by virtue of the burden imposed by the existing easements are no longer available, useful or susceptible of being used for navigation, fishing, and for other trust uses and purposes, and are no longer in fact tidelands or submerged lands, and represent a small fraction of the filled and unfilled tidelands within City of Los Angeles, and

therefore should be freed from the public trust;

j. Were approved and authorized by the State Lands Commission at its meeting of June 23, 2011 as calendar item number 115;

k. With respect to the City of Long Beach, includes an advance funding provision because the relocation of the City of Long Beach's pipelines and utilities would not be possible without same; and,

l. Are hereby approved, and the Executive Director and the Secretary of the Board are hereby authorized and directed to execute and attest to the same on behalf of the City of Los Angeles upon this Order being approved by the City Council and the Ordinance becoming effective as described below.

The Secretary shall certify to the adoption of this Order by the Board of Harbor Commissioners of the City of Los Angeles and shall cause a copy of the same to be submitted to the City Council as provided in section 7.27 of the Administrative Code of the City of Los Angeles. If the Council shall approve this order and the proposed Ordinance by a two-thirds vote as prescribed by section 7.27 of the Administrative Code of the City of Los Angeles, the Order and Ordinance shall take effect 30 days after publication.

Upon Execution of the Agreements the Secretary shall transmit them to the California State Lands Commission for execution.

I HEREBY CERTIFY that the foregoing Order was adopted by the Board of Harbor Commissioners of the City of Los Angeles at its meeting of _____.

ROSE M. DWORSHAK
Board Secretary

Sec. 2. Pursuant to section 602 and 607 of the Charter of the City of Los Angeles and section 7.27 of the Los Angeles Administrative Code, the Council finds and determines that the public interest requires that permanent surface and subsurface easements in property held in trust by City of Los Angeles be conveyed to the State of California without notice of sale or advertisement for bids and that the City, by and through its Board of Harbor Commissioners is authorized to accept the conveyance of certain surface and subsurface easements from the State which are deemed to have the legal character of tide and submerged lands and are to be held in trust for the benefit of the people of the State of California pursuant to the Granting Statutes.

Sec. 3. The interests in land which are the subject of this ordinance are described in the three land exchange and relocation agreements which are attached hereto and incorporated by reference.

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Sec. 4. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that the foregoing ordinance was passed by the Council of the City of Los Angeles, **by a two-thirds vote of its members**, at its meeting of

_____.

JUNE LAGMAY, City Clerk

By _____ Deputy

Approved _____

Mayor

Approved as to Form and Legality

CARMEN A. TRUTANICH, City Attorney

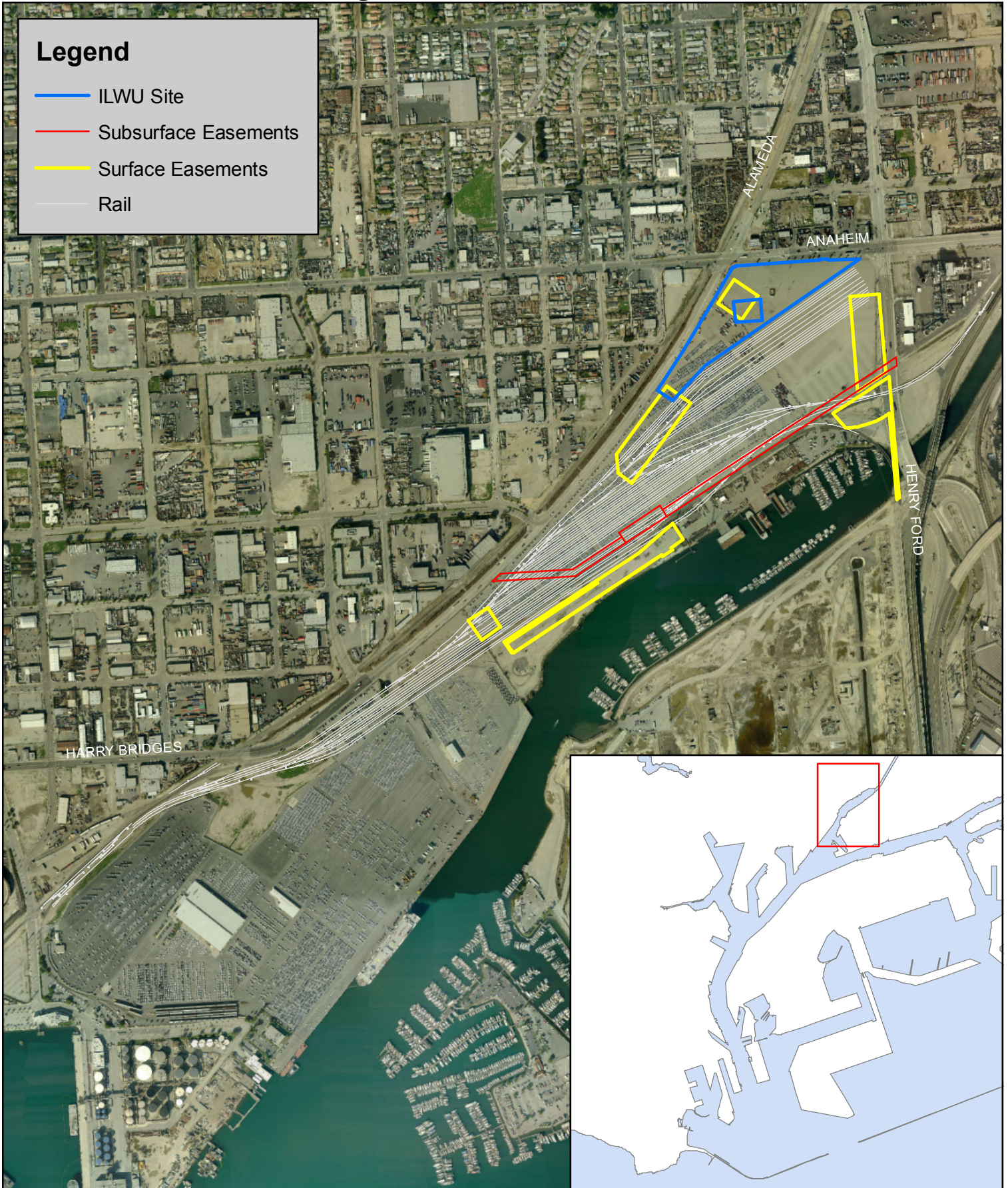
By _____

KENNETH F. MATTFELD
Deputy City Attorney

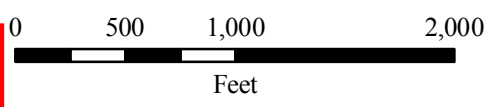
Existing Easements at Berth 200

Legend

- ILWU Site
- Subsurface Easements
- Surface Easements
- Rail



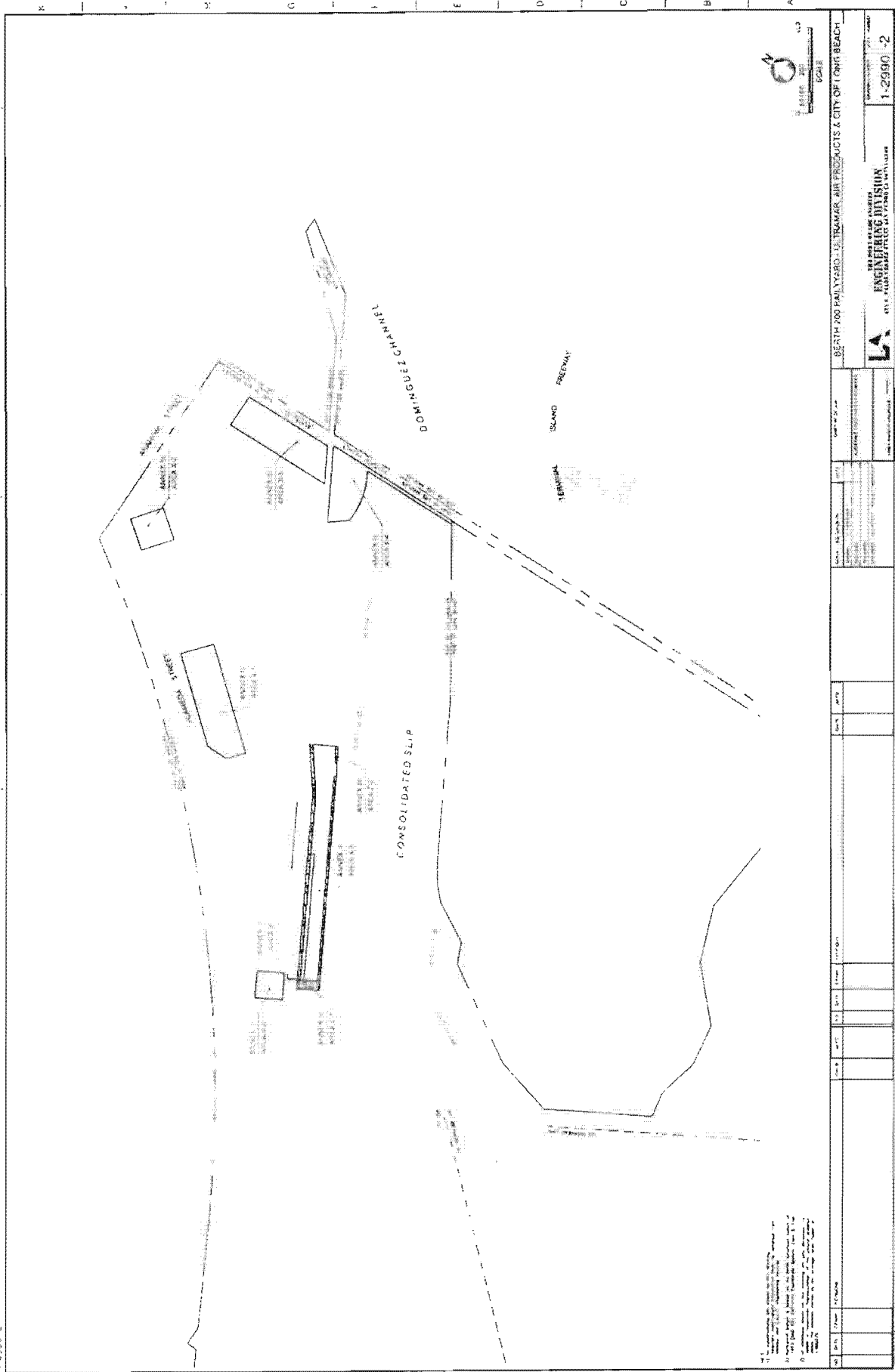
TRANSMITTAL 3



Harbor Department
Planning & Economic Development
Map Produced 6/2011



1-2990-2



1. The information shown on this plan was obtained from a site visit on 1/28/90. The information shown on this plan is based on the information provided by the client and is not to be used for any other purpose without the written consent of the engineer.

2. The information shown on this plan is based on the information provided by the client and is not to be used for any other purpose without the written consent of the engineer.

3. The information shown on this plan is based on the information provided by the client and is not to be used for any other purpose without the written consent of the engineer.

4. The information shown on this plan is based on the information provided by the client and is not to be used for any other purpose without the written consent of the engineer.

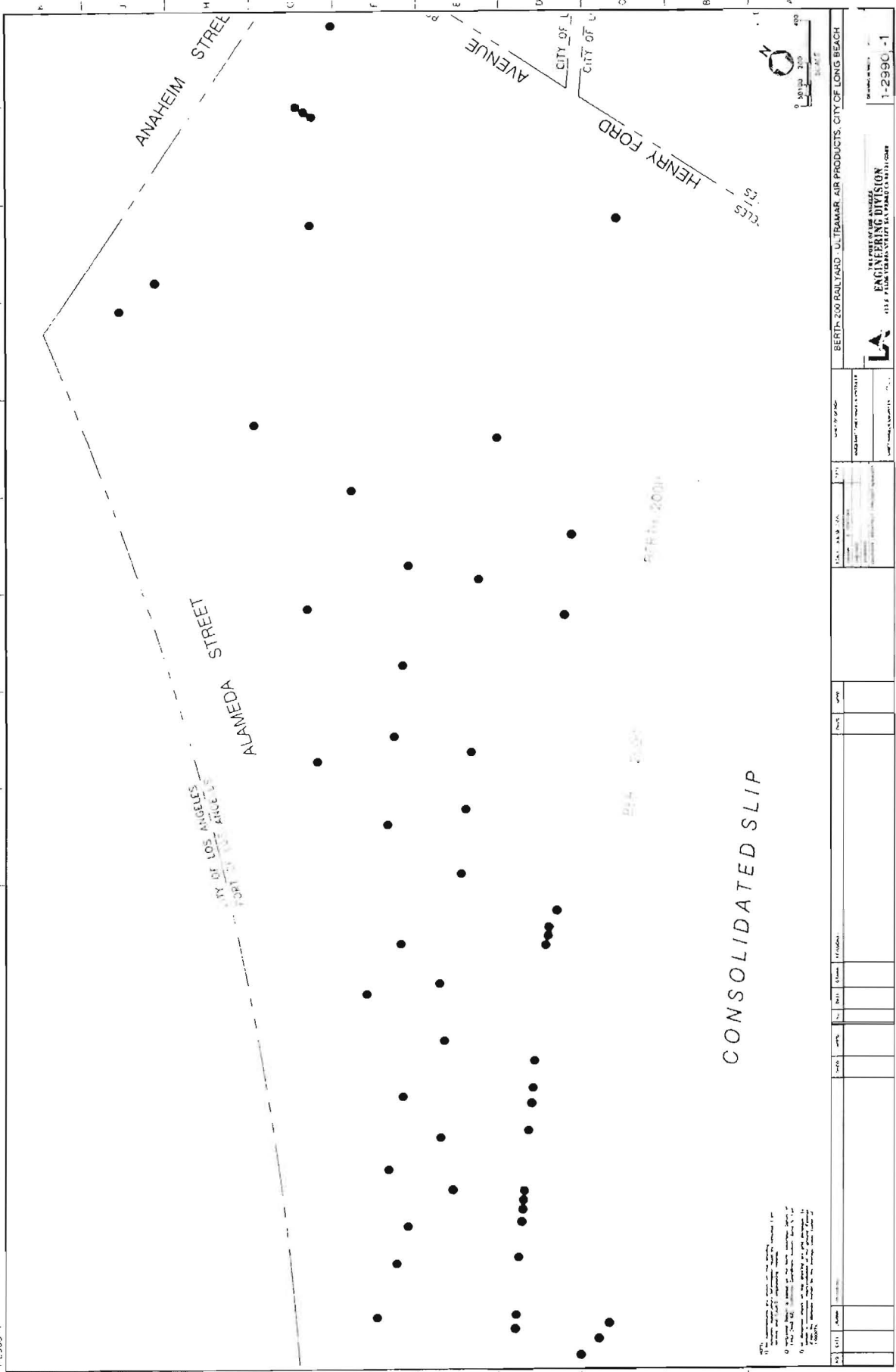
5. The information shown on this plan is based on the information provided by the client and is not to be used for any other purpose without the written consent of the engineer.



DEATH 100 PALM YARD, LOS ANGELES, CALIFORNIA, TRANSMITTAL AND PRODUCTS & CITY OF LONG BEACH		DATE: 1/28/90		DRAWN BY: [Name]		CHECKED BY: [Name]		SCALE: 1" = 100'		PROJECT NO.: 1-2990-2	
ENGINEERING DIVISION		CITY OF LOS ANGELES		CITY ENGINEER: [Name]		CITY CLERK: [Name]		CITY MANAGER: [Name]		CITY COMMISSIONER: [Name]	

TRANSMITTAL 4

1-2990-1



CONSOLIDATED SLIP

NO.	DATE	BY	CHKD.	REVISION

DATE	TIME	BY	CHKD.	REVISION

NO.	DATE	BY	CHKD.	REVISION

NO.	DATE	BY	CHKD.	REVISION

NO.	DATE	BY	CHKD.	REVISION

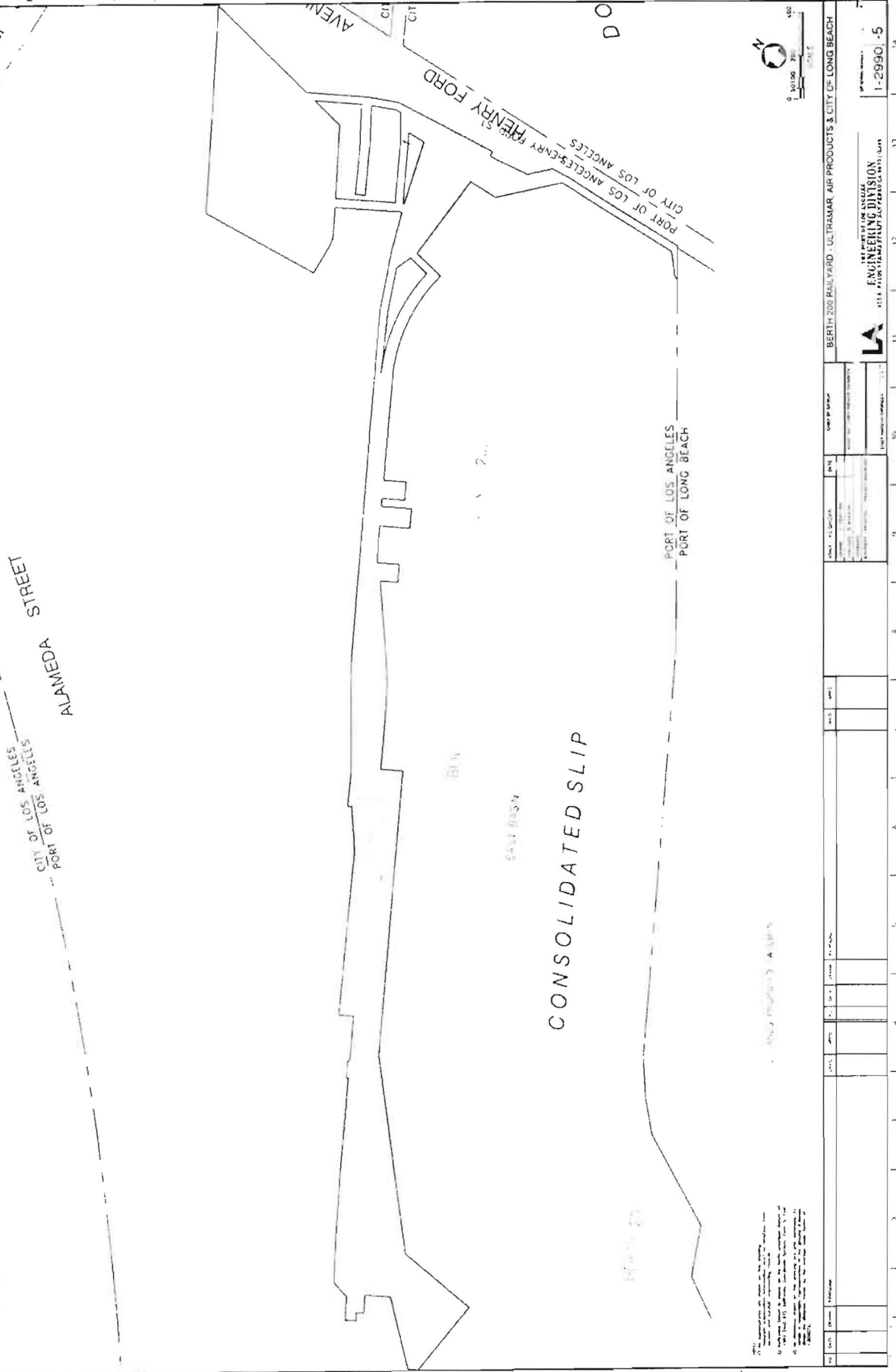
NO.	DATE	BY	CHKD.	REVISION

NO.	DATE	BY	CHKD.	REVISION

BERTH 300 RAIL YARD - U.S. TRAIN AIR PRODUCTS, CITY OF LONG BEACH
 LA ENGINEERING DIVISION
 1-2990-1

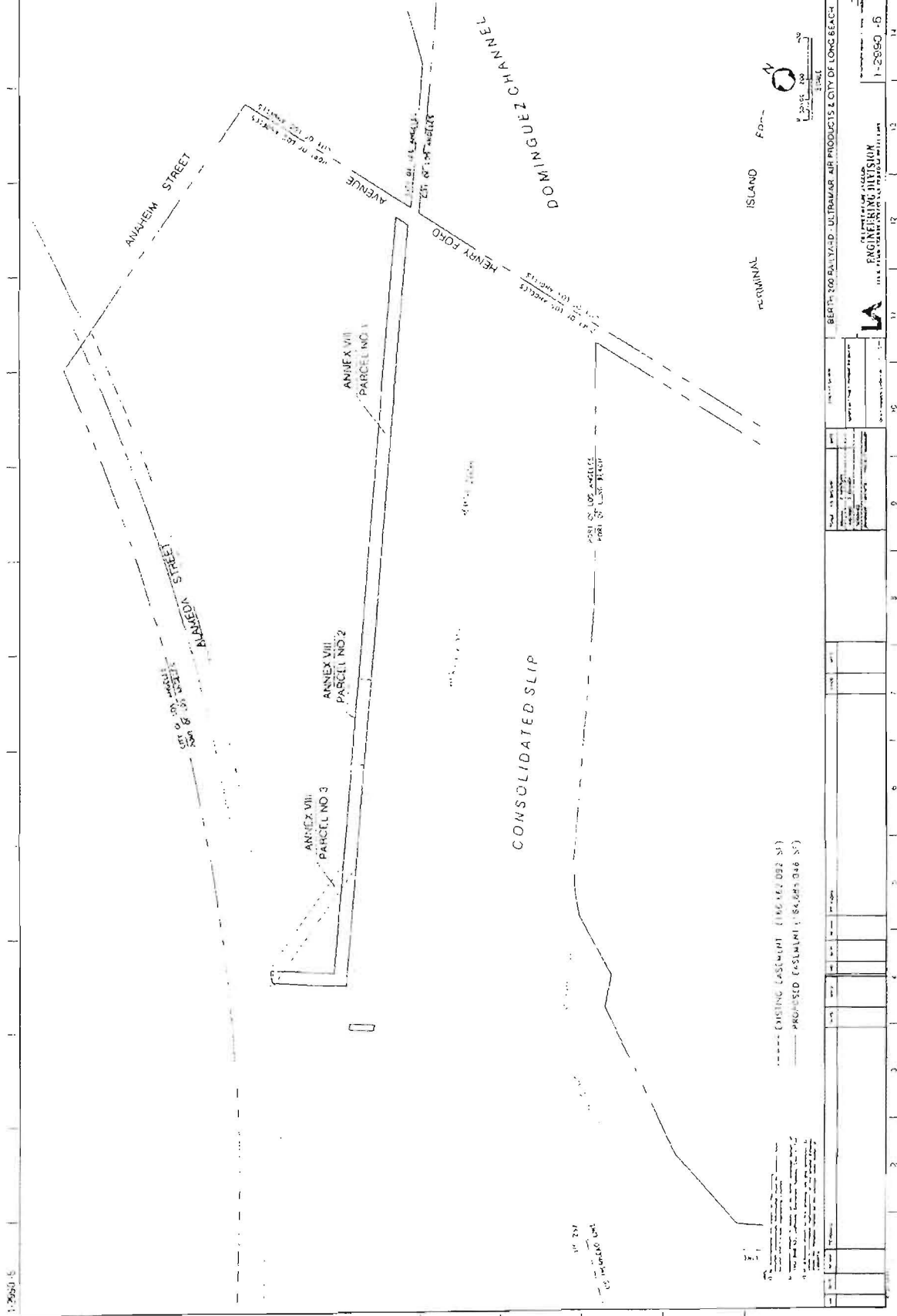
TRANSMITTAL

1-2990-5



CITY OF LOS ANGELES PORT OF LOS ANGELES		ALAMEDA STREET		PORT OF LOS ANGELES PORT OF LONG BEACH		HENRY FORD AVENUE		PORT OF LOS ANGELES - ULTRAMAR AIR PRODUCTS & CITY OF LONG BEACH	
1-2990-5		1-2990-5		1-2990-5		1-2990-5		1-2990-5	
LA		LA		LA		LA		LA	
CITY OF LOS ANGELES ENGINEERING DIVISION		CITY OF LOS ANGELES ENGINEERING DIVISION		CITY OF LOS ANGELES ENGINEERING DIVISION		CITY OF LOS ANGELES ENGINEERING DIVISION		CITY OF LOS ANGELES ENGINEERING DIVISION	
1-2990-5		1-2990-5		1-2990-5		1-2990-5		1-2990-5	

TRANSMITTAL 7



TRANSMITTAL 8

LA ENGINEERING DIVISION
 1-2550-5

Recorded at the request of:
STATE OF CALIFORNIA
CALIFORNIA STATE LANDS COMMISSION

WHEN RECORDED mail to:
California State Lands Commission
100 Howe Avenue, Suite 100 - South
Sacramento, CA 95825-8202
Attn: Legal
(916) 574-1850 / fax 1855 / kathryn.colson@slc.ca.gov
STATE OF CALIFORNIA - OFFICIAL BUSINESS

Document entitled to free recordation
pursuant to Government Code Section 27383

NO DOCUMENTARY TRANSFER TAX DUE
REVENUE AND TAXATION CODE SECTION 11922

C.S.L.C. – AD585/G05-04/W26479

Above Space for Recorder's Use

Los Angeles County APN #s:

**LAND EXCHANGE AGREEMENT TO RELOCATE SURFACE AND USE RIGHTS
ASSOCIATED WITH OIL PRODUCTION TO FACILITATE CONSTRUCTION OF A
RAIL YARD**

This Agreement is made and entered into by and between the CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Harbor Commissioners, also known as the Port of Los Angeles (“POLA”), the STATE OF CALIFORNIA, acting by and through the State Lands Commission (“State” or “Commission”) and the CITY OF LONG BEACH, a municipal corporation, acting by and through its Gas and Oil Department (“Long Beach”) (hereinafter the “Parties”).

RECITALS

1. This Agreement concerns various easement interests in land located in the Wilmington District of the Port of Los Angeles, Los Angeles County (the “Wilmington District”), which such easements were originally reserved by that certain Conveyance by Union Pacific Land Resources Corporation and Champlin Petroleum Company to City of Los Angeles and State of California recorded on March 31, 1980 by the County Recorder of Los Angeles County as Instrument No. 80-325185 (the “Condock Conveyance”). The existing surface and use easements and new surface and use easements consist of the following:

07/01/2011 4:00 PM

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TRANSMITTAL 9

- a. Surface Use Rights for Present Facilities Easements:
 - i. Surface Use Rights for Present Facilities granted in Article 1.1(B)(1) of the Condock Conveyance and more particularly described in Annex II thereto, as well as all subsequently installed and subsequently abandoned wells, referred to herein as “Public Trust Easement Surface Use Rights for Present Facilities”, described as Parcel 1 in Exhibit C and depicted on Exhibit A-1.
 - ii. Surface Use Rights for Present Facilities which consist of the eight operating wells depicted on Exhibit B-1, referred to herein as “Trust Termination Easement Surface Use Rights for Present Facilities”, described as Parcel 1 through Parcel 8 in Exhibit D-1 and depicted on Exhibit B-1.
- b. Work Areas Easements:
 - i. Interest in and ability to designate Work Areas surrounding the then existing wells described in Article 1.1(B)(2) of the Condock Conveyance and listed in Annex II thereto, as well as all subsequently installed and subsequently abandoned wells, referred to herein as “Public Trust Easement Work Areas”, described as Parcel 2 in Exhibit C and depicted on Exhibit A-1.
 - ii. Right to designate Work Areas surrounding the eight operating wells listed in paragraph 1.a.ii above on the same terms provided in the Condock Conveyance, referred to herein as “Trust Termination Easement Work Areas”, described in Exhibit D-1 and depicted on Exhibit B-1.
- c. Future Surface Facility Sites Easements:
 - i. Right to enter upon and use the Future Surface Facility Sites granted in Article 1.1(B)(3) of the Condock Conveyance and more particularly described in Annex III thereto and identified as “Area X-1” through “Area X-6”, “Area Y,” “Area Z-1,” and “Area Z-2”, referred to herein as “Public Trust Easement Future Surface Facility Sites”, described as Parcel 3 in Exhibit C and depicted on Exhibit A-2.
 - ii. Rights to enter upon and use the area shown on Exhibit B-2 and designated “Area A”, “Area B” and “Area C” for any and all new or relocated wells (oil, gas, water source, water injection or chemical injection) and appurtenances thereto; referred to herein as “Trust Termination Easement Future Surface Facility Sites”, described as Parcel 1 through Parcel 3 in Exhibit D-2 and depicted on Exhibit B-2.
- d. Pipelines and Wirelines Easements:
 - i. Rights to maintain and use the pipelines and wirelines granted in Article 1.1(B)(4) of the Condock Conveyance including the pipeline corridor described in Annex IV thereto, referred to herein as “Public Trust Pipeline and

Wireline Easement”, described as Parcel 4 in Exhibit C and depicted on Exhibit A-3.

- ii. The right to construct, use, maintain, and renew pipelines and wirelines in the corridor shown on Exhibit B-3; such rights shall include the right to connect any new wells or facilities created in the Trust Termination Easement Future Surface Facility Sites to pipelines and wirelines in the corridor; referred to herein as “Trust Termination Pipeline and Wireline Easement”, described in Exhibit D-3 and depicted on Exhibit B-3.

e. Access Easements:

- i. Surface entry and use rights for purposes of access conveyed in Article 1.1(B)(6) of the Condoek Conveyance, referred to herein as “Public Trust Access Easement”, described as Parcel 5 in Exhibit C.
- ii. The right to enter upon and use the surface of the Trust Termination Easement Surface Use Rights for Present Facilities, the Trust Termination Easement Work Areas, the Trust Termination Easement Future Surface Facility Sites, and the Trust Termination Pipeline and Wireline Easement as necessary for all purposes incident to or in connection with the purposes set forth in paragraph 1.1(B) of the Condoek Conveyance, referred to herein as “Trust Termination Access Easement.”.

f. Railroad Easement:

- i. Easement for railroad purposes conveyed in Article 1.1(E) of the Condoek Conveyance and more particularly described in Annex VII thereto, referred herein as “Public Trust Railroad Easement”, described as Parcel 6 in Exhibit C and depicted on Exhibit A-3.

g. Permanent Pipeline and Utility Easement:

- i. Interest in the pipeline and utility corridor reserved in Article 1.1(F) of the Condoek Conveyance and more particularly described in Annex VIII thereto, referred to herein as “Public Trust Permanent Pipeline and Utility Easement”, described as Parcel 7 in Exhibit C and depicted on Exhibit A-3.

2. Upon its admission to the United States on September 9, 1850, the State of California, by virtue of its sovereignty, received in trust for the people of California all right, title and interest in previously ungranted tidelands and submerged land within its boundaries for public trust uses, including but not limited to commerce, navigation, fisheries, water-oriented recreation, and other recognized public trust uses.
3. Pursuant to the provisions of Division 6 of the Public Resources Code, including sections 6216 and 6301, the Commission is vested with all jurisdiction and authority as to the right, title and interest in all ungranted tidelands and submerged lands held by the State of

California in trust for the benefit of all the people of the State. The Commission is also vested with all jurisdiction and authority as to the reversionary and residual interests of the State of California in public trust land legislatively granted in trust to local governments.

4. The City of Los Angeles (“City”) is trustee of certain tide and submerged lands with the City of Los Angeles granted to it by the Legislature by Chapter 656, Statutes of 1911, as amended by Chapter 115, Statutes of 1917, Chapter 768, Statutes of 1921; and Chapter 651, Statutes of 1929, as amended by Chapter 443, Statutes of 1951, Chapter 1046, Statutes of 1970, Chapter 926, Statutes of 1979, Chapter 923, Statutes of 1985, and Chapter 1130, Statutes of 2002 (“Granting Statutes”). Pursuant to Chapter 651, Statutes of 1929, as amended by Chapter 926, Statutes of 1979, whenever it shall appear expedient to the City and in the best interests of the State for purposes set out in the Granting Statutes, and it appears no substantial interference with the trust uses and purposes will ensue, the City may exchange lands of equal or greater value located within the Wilmington District effective upon Commission approval and findings of equal or greater value.
5. In 1969 the City filed a quiet title action to resolve disputes over ownership of more than 225 acres of land in the Wilmington District lying West of Henry Ford Avenue in the general vicinity of the Consolidated Channel. The action was captioned *City of Los Angeles v. Los Angeles & Salt Lake Railroad Co. et al.* and was assigned Los Angeles Superior Court Case number 961846. In the action, the City alleged that the subject property consisted of tide or submerged land when California was admitted to the Union and was thus owned by the City as trustee of the State. Union Pacific Corporation’s subsidiaries, Union Pacific Land Resources and Champlin Petroleum, which had used the property for oil field operations and other purposes for more than forty years, traced their claim of title back to a Spanish land grant.
6. In 1980 the quiet title action was resolved in a settlement between Union Pacific Land Resources Corporation, Champlin Petroleum Company, the City, and the State of California, which settlement is also referred to as the “Condock I Settlement” and which was recorded on March 31, 1980 as instrument no. 80-325180 by the County Recorder of Los Angeles County.
7. Pursuant to the terms of the Condock I Settlement, the enactment of Chapter 926, Statutes of 1979 by the State of California, Order No. 4903 of the Board of Harbor Commissioners, Ordinance No. 153520 of the City, and a Waiver and Release executed by the Commission and recorded on March 31, 1980 as instrument no. 80-325188 by the County Recorder of Los Angeles County:
 - a. POLA acquired from Union Pacific Corporation and its subsidiaries (collectively “Union Pacific”) title to the surface estate in approximately 80 acres lying north of the Consolidated Channel and 5.25 acres lying south of the Consolidated Channel with Union Pacific reserving and retaining the underlying mineral interests, and reserving precisely defined surface entry and use rights to serve continuing oil operations.

- b. POLA acquired from Union Pacific fee title to the approximately 40 acres of water area of the Consolidated Channel subject to permanent navigation rights retained by Union Pacific for the benefit of its property lying south of the Channel.
 - c. Union Pacific was granted a 50-year subsurface mineral lease for the approximately 40 acre area underlying the Consolidated Channel, without any right of surface entry.
 - d. Fee title to both surface and minerals, free of the public trust, to approximately 120 acres of land south of the Consolidated Channel known as the “Western Peninsula” was confirmed in Union Pacific.
 - e. POLA paid to Union Pacific the sum of \$6,000,000.
8. Most of these transactions were accomplished by means of the Condock Conveyance.
9. In about 1987 Champlin Petroleum Company changed its name to Union Pacific Resources Company.
10. In 1994 Long Beach succeeded to the surface and use rights reserved by Union Pacific Land Resources Company and Union Pacific Resources Company in the Condock Conveyance as evidenced by paragraph 19 of Annex II of the *Conveyance from Union Pacific Land Resources Company and Union Pacific Resources Company to the City of Long Beach* which was recorded on March 22, 1994 as instrument no. 94-559636 by the County Recorder of Los Angeles County.
11. POLA now desires to construct a rail yard in the vicinity of Berth 200 in the Port of Los Angeles which area is burdened by the surface entry and use rights generally described in Recital 1 above and depicted on Exhibit A, and more completely described in section B of paragraph 1.1 of the Condock Conveyance.
12. More than thirty years have passed since execution of the Condock Conveyance and the technology of oil drilling and production has advanced and many of the wells and appurtenant facilities in use at the time of the Condock Conveyance are no longer in use and/or are no longer needed and have been abandoned by Long Beach or its predecessor.
13. As part of this Agreement, Long Beach will convey to State its interest in the existing surface and use easements. These existing surface and use easements are depicted on Exhibits A-1, A-2, and A-3 and called Public Trust Easement Surface Use Rights for Present Facilities, Public Trust Easement Work Areas, Public Trust Easement Future Surface Facility Sites, Public Trust Pipeline and Wireline Easement, Public Trust Access Easement, Public Trust Railroad Easement and Public Trust Permanent Pipeline and Utility Easement, also referred to collectively in this Agreement as the “Public Trust Easements”. The State will accept the Public Trust Easements as sovereign land, subject to the public trust, and will then convey its interest in the Public Trust Easements to POLA, in trust.
14. In exchange, POLA will immediately thereafter convey certain rights and interests in the relocated easements depicted on Exhibits B-1, B-2, and B-3 to the State called Trust

Termination Easement Surface Use Rights for Present Facilities, Trust Termination Easement Work Areas, Trust Termination Easement Future Surface Facility Sites, Trust Termination Pipeline and Wireline Easement and Trust Termination Access Easement, also referred to collectively in this Agreement as the “Trust Termination Easements”. The State will then quitclaim the rights and interests obtained from POLA in the Trust Termination Easements to Long Beach, free of any sovereign interest, in order to replace the rights quitclaimed by Long Beach, without otherwise affecting the respective rights and obligations of Long Beach and POLA as originally reserved in the Condock Conveyance.

15. The exchange authorized by this Agreement will not result in any interference with the uses and purposes of the trust and will substantially benefit the public trust through the construction of a new rail switching yard to make room for the development of the TraPac container terminal on-dock rail facility which will increase the terminal’s capacity while reducing truck trips and generate substantial public trust revenues for POLA and the people of the California.
16. Pursuant to Chapter 651, Statutes of 1929, as amended, by Chapter 926, Statutes of 1979 an exchange is not effective unless and until the State finds that the lands to be acquired by POLA are of equal or greater value than the lands for which they are to be exchanged and the State approves the exchange.
17. The exchange will terminate any trust interest in the Trust Termination Easements. The land underlying the Trust Termination Easements has been filled and reclaimed, is cut off from water access and is no longer needed for trust purposes. The land underlying the Trust Termination Easements constitutes a relatively small portion of the filled and unfilled tidelands within the City that have been granted to POLA.
18. The Parties have conducted independent studies and evaluations of the monetary value of the property interests that are the subject of this Agreement. The State’s independent evaluation of the monetary value of property interests that are the subject of this Agreement has shown that the monetary value of the Public Trust Easements is equal to or greater than the value of the Trust Termination Easements.
19. The City, acting by and through its Board of Harbor Commissioners, certified the Environmental Impact Report for the “Berth 136-147 (TraPac) Container Terminal Project on December 6, 2007.” The Project, which includes construction of the rail yard in the vicinity of Berth 200, is assigned State Clearinghouse No. 2003104005.
20. The City, acting by and through its Board of Harbor Commissioners, at its meeting of _____, 2011 approved this Agreement.
21. The State by approval of minute item # C115, at its meeting of June 23, 2011, approved this Agreement.
22. The Parties consider it expedient, necessary and in the best interests of the State, POLA, and Long Beach to enter into this Agreement.

Based on the foregoing recitals and in consideration of the mutual covenants and agreements herein, and for consideration the receipt and adequacy of which is hereby acknowledged, the Parties have reached the following Agreement:

AGREEMENT

1. Quitclaim of Existing Surface and Use Rights and Grant of New Surface and Use Rights.

- A.** Long Beach agrees to remise, release and forever quitclaim to State its entire interest in: Public Trust Easement Surface Use Rights for Present Facilities, Public Trust Easement Work Areas, Public Trust Easement Future Surface Facility Sites, Public Trust Pipeline and Wireline Easement, Public Trust Access Easement, Public Trust Railroad Easement and Public Trust Permanent Pipeline and Utility Easement, by means of a conveyance substantially in the form of Exhibit E.
- B.** State agrees to accept Long Beach's quitclaim deed for: Public Trust Easement Surface Use Rights for Present Facilities, Public Trust Easement Work Areas, Public Trust Easement Future Surface Facility Sites, Public Trust Pipeline and Wireline Easement, Public Trust Access Easement, Public Trust Railroad Easement and Public Trust Permanent Pipeline and Utility Easement, as having the legal character of tide and submerged lands by means of a acceptance substantially in the form of Exhibit F.
- C.** State agrees to remise, release and forever quitclaim, in trust, to the POLA all its right, title and interest in: Public Trust Easement Surface Use Rights for Present Facilities, Public Trust Easement Work Areas, Public Trust Easement Future Surface Facility Sites, Public Trust Pipeline and Wireline Easement, Public Trust Access Easement, Public Trust Railroad Easement and Public Trust Permanent Pipeline and Utility Easement by means of a conveyance substantially in the form of Exhibit G.
- D.** POLA agrees to grant State: Trust Termination Easement Surface Use Rights for Present Facilities, Trust Termination Easement Work Areas, Trust Termination Easement Future Surface Facility Sites, Trust Termination Pipeline and Wireline Easement and Trust Termination Access Easement, by means of a conveyance substantially in the form of Exhibit H.
- E.** State agrees to accept grant from POLA for: Trust Termination Easement Surface Use Rights for Present Facilities, Trust Termination Easement Work Areas, Trust Termination Easement Future Surface Facility Sites, Trust Termination Pipeline and Wireline Easement and Trust Termination Access Easement by means of an acceptance substantially in the form of Exhibit I.

- F. State agrees to terminate any sovereign interest and remise, release and forever quitclaim to Long Beach its entire interest in: Trust Termination Easement Surface Use Rights for Present Facilities, Trust Termination Easement Work Areas, Trust Termination Easement Future Surface Facility Sites, Trust Termination Pipeline and Wireline Easement and Trust Termination Access Easement, by means of a conveyance substantially in the form of Exhibit J.

2. Additional Covenants Between POLA and Long Beach.

A. Surface Rights for Present and Future Facilities.

- i. Long Beach shall have the primary right to use the areas described in Parcel 1 in Exhibits D-1 and D-2, but POLA shall have the right, with Long Beach's prior authorization, to pass over and to use unused surface areas while and so long as Long Beach does not require use thereof; POLA's rights shall be subject to such limitations as Long Beach may in its sole discretion impose in the interest of keeping such land available as needed for its operations.

B. Pipeline and Wireline.

- i. POLA agrees to accept, in an as-is condition, any surface or subsurface pipelines and wirelines associated with wells and facilities that are no longer in use within the Public Trust Easement Surface Right for Present Facilities and the Public Trust Pipeline and Wireline Easement, described as Parcel 1 and Parcel 4 in Exhibit C.

C. Title to Oil Field Facilities.

- i. Title to all wells and other oil field facilities and appurtenances thereto which have been abandoned, are now in use, or may hereafter be installed in the Trust Termination Easement Future Surface Facility Sites will remain with Long Beach, it being understood that POLA does not and shall not acquire any interest in any of the foregoing. If LONG BEACH determines in its reasonable discretion that access is required to any or all abandoned wells to address regulatory or environmental concerns, then POLA shall provide access, at its sole cost and expense, to all such wells and oil field facilities which may include, but is not limited to, removal and replacement of rails, ties, ballast, sub-ballast and fill. Long Beach shall be responsible, at its sole cost and expense, for all work necessary to address such regulatory or environmental concerns.

3. Additional Covenants And Provisions Not Altered.

All provisions of the Condoek Conveyance which are not altered by this Agreement shall remain in full force and effect and shall not be amended hereby..

4. Testing Of Abandoned Wells And Responsibility For Re-abandonment.

- A.** If POLA instructs Long Beach to test (“Pre-Development Well Testing”) any or all of the abandoned wells shown on Exhibit K attached hereto (“Abandoned Wells”), then Long Beach agrees to complete such testing within a reasonable amount of time after receiving written instruction from POLA to do so. POLA agrees to reimburse Long Beach for the reasonable cost of testing such Abandoned Wells, which costs are estimated at \$10,000 per well. Long Beach shall report the well test results to POLA and to the Oil and Gas Supervisor of the California Department of Conservation as required by law. Long Beach shall promptly complete re-abandonment of all wells that the Division of Oil, Gas and Geothermal Resources of the Resources Agency of California requires to be re-abandoned pursuant o the Pre-Development Well Testing. POLA shall be solely responsible for the cost of re-abandonment of all such wells.
- B.** Wells that require re-abandonment due to issues which arise after Pre-Development Testing shall be re-abandoned by Long Beach at Long Beach’s sole cost and expense; provided, however, that POLA shall provide access to such wells at POLA’s sole cost and expense, including without limitation the removal and relocation or replacement of any improvements which are required to access such wells.

5. Relocation of Pipelines and Wirelines And Cost Reimbursement.

- A.** Long Beach shall cause the wirelines and pipelines depicted on Exhibit L-1 attached hereto to be relocated to the Trust Termination Pipeline and Wireline Easement in the manner specifically depicted on Exhibit L-1. Such relocation shall include:
- i. The abandonment, by means of draining, purging, cleaning and grouting or removal, as necessary, of the bypassed line segments and unused pipelines depicted on Exhibit L-1.
 - ii. The installation of an Oil Gathering Line consisting of an 8” welded steel pipe about 3000 feet in length (primarily underground) as shown on Exhibit L-1.
 - iii. The installation of a Dry Gas Line consisting of an 4” welded steel pipe about 3000 feet in length (primarily underground) as shown on Exhibit L-1.
 - iv. The installation of a Water Injection Line consisting of an 8” welded steel pipe about 3000 feet in length (primarily underground) as shown on Exhibit L-1.
 - v. The installation or relocation of 10 timber power poles as shown on Exhibit L-1.
 - vi. The re-routing of approximately 13,300 feet and the installation of about 900 feet of overhead 5kV power cable as shown on Exhibit L-1.
 - vii. The installation of approximately 1200 feet of new 480V overhead cable as shown on Exhibit L-1.

viii. The relocation and reconnection of 2 power transformer/substations as shown on Exhibit L-1.

B. The new facilities shall be constructed in accordance with American Petroleum Institute standards, and shall meet all applicable local, state and federal agency requirements. The relocations include incidental work such as installing pipe coatings, cathodic protection systems, pipeline markers, pipe supports, and equipment pads/foundations and appropriate testing. Relocation work shall include inspection during construction as required by Long Beach to ensure conformance to their standards along with the preparation of documentation and record drawings required to meet permitting and governmental agency requirements.

C. POLA shall reimburse Long Beach for the actual and reasonable cost of relocating said pipelines and wirelines, which costs are estimated at \$5,800,000 according to the methodology shown in Exhibit L-2 attached hereto.

6. Advancement of Reimbursable Costs.

A. POLA shall advance funds to Long Beach to cover those expenses reimbursable under this agreement when:

i. Long Beach presents a description of the activity to be undertaken;

ii. The activity is scheduled to commence within 2 months;

iii. A written estimate of the costs or bid associated with said activity prepared by the contractor who is to perform the work is presented; and

B. Any advances made shall be subject to later reconciliation with actual expenditures and the reimbursement of unexpended funds.

7. Right of Entry During Construction.

Prior to the period of construction and relocation of the pipelines and wire lines pursuant to this Agreement, Long Beach shall apply for a Temporary Entry and Use Permit from POLA, according to POLA's normal procedures, which shall provide access to POLA property necessary to construct and relocate such pipelines.

8. State Lands Commission Findings.

The Commission, by its approval and authorization of the execution of this Agreement, makes the following findings, effective upon recordation of this Agreement:

A. The land underlying the Trust Termination Easements has been improved, filled, and reclaimed, and has thereby been excluded from the public channels and is no longer available, useful or susceptible of being used for navigation, fishing or for other trust uses and purposes and are no longer in fact tidelands or submerged lands

and any and all public trust interest or state sovereign title existing solely within the Trust Termination Easements will be terminated. The land underlying the Trust Termination Easements constitutes a relatively small portion of the filled and unfilled tidelands within POLA that have been granted to POLA.

- B.** The exchange provided for in this Agreement is in the best interests of the State.
- C.** The monetary value of the Public Trust Easements received by the State in trust pursuant to the exchange provided for in this Agreement is equal to or greater than that of the lands Trust Termination Easements given by the State in the exchange provided for in this Agreement.
- D.** The Public Trust Easements to be conveyed to the State and subsequently conveyed to the City, in trust, pursuant to this Agreement is to be accepted as having the legal character of tide and submerged lands, to be held by POLA for the benefit of the people of the State of California in perpetuity for public trust purposes, pursuant to the Granting Statutes.

9. Additional Provisions.

- A.** Procedures for Parcel Boundary Adjustments. Minor adjustments to the boundaries of the Public Trust Easements or the Trust Termination Easements (“Parcel Boundary Adjustment”), as those boundaries are depicted in the Exhibits to this Agreement, or as they may be described in deeds implementing this Agreement, may become necessary or desirable as more detailed site information is developed. A Parcel Boundary Adjustment shall proceed in accordance with the following procedures:
 - i. A Parcel Boundary Adjustment may not be sought without the consent of every Party to this Agreement.
 - ii. After obtaining the consent of each Party, the Party seeking the Parcel Boundary Adjustment shall request approval of the Parcel Boundary Adjustment from the Commission, which approval shall not be unreasonably delayed or withheld. The requesting Party shall provide the Commission with any maps, legal descriptions, surveys, or other information necessary to review the proposed Parcel Boundary Adjustment.
 - iii. Following Commission approval, the Parties and the Commission shall cooperate in the actions necessary to effectuate the Parcel Boundary Adjustment, including, as necessary, the preparation of legal descriptions, deeds, and revised exhibits to this Agreement, at the sole cost and expense of the Party requesting the Parcel Boundary Adjustment. Upon written approval by the Commission and the Parties of revised exhibits reflecting the Parcel Boundary Adjustment approved by the Commission pursuant to this Section

9.A., the revised exhibits shall be deemed to replace the relevant exhibits to this Agreement.

B. Acceptance of Conveyances and Consent to Recording.

By execution of this Agreement, the POLA, the State and Long Beach agree to accept the herein described conveyances of land and hereby consent to the recording of the conveyances.

C. Further Assurances.

So long as authorized by applicable laws to do so, the POLA, the State and Long Beach will perform such other acts, and execute, acknowledge and deliver all further documents, conveyances and other instruments that may be necessary to effectuate fully the provisions of this Agreement.

D. Execution before a Notary Public.

All signatures of the parties to this Agreement and all deeds and other conveyances executed pursuant to this Agreement shall be acknowledged before a Notary Public and a certificate of acknowledgment shall be attached to allow the deeds and conveyances to be recorded in the Office of the Recorder of Los Angeles County, California. The Governor's signature shall be attested to by the Secretary of State.

E. Counterparts.

This Agreement may be executed in any number of counterparts and each executed counterpart shall have the same force and effect as an original and as if all of the parties to the aggregate counterparts had signed the same instrument.

F. Provisions to Indemnify and Hold State Harmless.

POLA shall indemnify, defend and hold harmless the State, its officers, agencies, commissions, and employees from and against any and all claims that may arise from this Agreement or the lands involved in the exchange, including, without limitation, third party claims and claims by any governmental agency (other than the State, acting through the Commission) relating to the past, present or future presence of known or unknown hazardous materials located, or which may come to be located at, on, over, under, or flowing through the land underlying the Public Trust Easements or the Trust Termination Easements; provided, however, that the POLA's obligations in this paragraph shall not apply to any claims to the extent that Long Beach is solely responsible under the following paragraph.

Long Beach shall indemnify, defend and hold harmless the State, its officers, agencies, commissions, and employees from and against any and all claims that may arise from the actions of Long Beach or its agents, employees, contractors, sublessees or invitees with respect to this Agreement or the lands involved in the exchange, including, without

limitation, third party claims and claims by any governmental agency (other than the State, acting through the Commission) relating to the past or present or future presence of known or unknown hazardous materials generated, brought onto, used, stored, emitted, released or disposed of in or about the land underlying the Public Trust Easements or the Trust Termination Easements by Long Beach or its agents, employees, contractors, sublessees or invitees.

G. Impacts of Sea Level Rise.

Nothing in this Agreement obligates the POLA or State to protect or cause to be protected any privately held uplands, including, but not limited to, constructing or causing to be constructed any protective structures that benefit any privately held uplands. Nothing in this Agreement shall render the POLA or the State liable to the owners of upland properties within the property subject to this Agreement for failure to provide protection against sea level rise.

H. No Admission or Effect if Agreement Not Made Effective.

In the event this Agreement does not become effective, nothing herein shall constitute, or be construed as, an admission by any Party or evidence concerning the boundaries, physical character, or character of title to or interest in the property subject to this Agreement.

I. No Effect on Other Lands.

The provisions of this Agreement do not constitute, nor are they to be construed as, an admission by any Party or evidence concerning the boundaries, physical character, or character of title to or interest in any lands outside the property subject to this Agreement.

Nothing in this Agreement shall be construed to terminate any public trust interest or state sovereign title in lands other than that existing solely within the Trust Termination Easements being conveyed to Long Beach.

J. Exemptions.

This Agreement and the conveyances provided herein are exempt from the Subdivision Map Act pursuant to Government Code Section 66412(e).

K. Binding Agreement.

All the terms, provisions, and conditions of this Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties.

L. Modification.

No modification, amendment, or alteration of this Agreement shall be valid unless in writing and signed by all of the Parties.

M. No Effect on Other Government Jurisdiction.

This Agreement does not exempt the parties from the regulatory, environmental, land use or other jurisdiction of any federal, state, local, or other government entity.

N. Headings.

The title headings of the sections of this Agreement are inserted for convenience only and shall not be considered in construing this Agreement.

O. Allocation of Costs and Expenses.

The expenses and fees of escrow incurred by Escrow Agent, including those associated with recordation of this Agreement and other documents necessary to effectuate this Agreement, shall be borne by the POLA.

P. Correction of Technical Errors.

If errors are made in this Agreement in a legal description or the reference to or within any exhibit with respect to a legal description, in the boundaries of any parcel in any map or drawing which is an exhibit, or in the typing of this Agreement or any of its exhibits, the Parties affected by the error by mutual agreement may correct such error by memorandum executed by them without the necessity of amendment of this Agreement.

Q. Effective Date.

This Agreement shall become effective when signed by all parties to the Agreement and approved by the Governor (the "Effective Date").

10. ESCROW

A. The Parties designate and authorize Fidelity National Title Insurance Company to act as the Escrow Agent for all purposes of this Agreement. As part of the escrow, the Parties shall submit additional, mutually agreeable escrow instructions as may be necessary so that the obligations of the Parties for the Close of Escrow under this Agreement conform. Closing costs shall be borne by POLA.

B. Deposits by the Parties:

i. The State shall deposit the following documents into escrow:

a. A certified copy of a Minute Item of a California State Lands Commission public hearing showing the Commission's approval of this Agreement and the Commission's authorization that the Agreement, Deeds and Certificates of Acceptance be executed on the State's behalf;

b. This Agreement, duly and properly executed by the State;

- c. A written approval by the Commission of the condition of title to the Public Trust Easement Surface Use Rights for Present Facilities, Public Trust Easement Work Areas, Public Trust Easement Future Surface Facility Sites, Public Trust Pipeline and Wireline Easement, Public Trust Access Easement, Public Trust Railroad Easement and Public Trust Permanent Pipeline and Utility Easement;
 - d. A quitclaim deed in the form attached hereto as Exhibit G (the “State Public Trust Deed”), duly and properly executed by the State conveying Public Trust Easement Surface Use Rights for Present Facilities, Public Trust Easement Work Areas, Public Trust Easement Future Surface Facility Sites, Public Trust Pipeline and Wireline Easement, Public Trust Access Easement, Public Trust Railroad Easement and Public Trust Permanent Pipeline and Utility Easement, in trust, to POLA;
 - e. A quitclaim deed in the form attached hereto as Exhibit J (the “State Trust Termination Deed”), duly and properly executed by the State conveying the Trust Termination Easement Surface Use Rights for Present Facilities, Trust Termination Easement Work Areas, Trust Termination Easement Future Surface Facility Sites, Trust Termination Pipeline and Wireline Easement and Trust Termination Access Easement to Long Beach;
 - f. Certificates of Acceptance for the lands described in Exhibits duly and properly executed by the State;
- ii. The POLA shall deposit the following documents into Escrow:
 - a. A certified copy of an official action of POLA authorizing the execution of this Agreement, relinquishing of interest in the Trust Termination Easement Surface Use Rights for Present Facilities, Trust Termination Easement Work Areas, Trust Termination Easement Future Surface Facility Sites, Trust Termination Pipeline and Wireline Easement and Trust Termination Access Easement;
 - b. A grant deed in the form attached hereto as Exhibit H (the “POLA Trust Termination Deed”), duly and properly executed by POLA conveying Trust Termination Easement Surface Use Rights for Present Facilities, Trust Termination Easement Work Areas, Trust Termination Easement Future Surface Facility Sites, Trust Termination Pipeline and Wireline Easement and Trust Termination Access Easement to the State;
 - c. This Agreement, duly and properly executed by the POLA;
 - iii. Long Beach shall deposit the following documents into escrow:
 - a. A quitclaim deed in the form attached hereto as Exhibit E (the “Long Beach Public Trust Deed”, and collectively with the State Public Trust

Deed, the State Trust Termination Deed, and the POLA Trust Termination Deed, the “Deeds”), duly and properly executed by Long Beach conveying Long Beach’s interests in Public Trust Easement Surface Use Rights for Present Facilities, Public Trust Easement Work Areas, Public Trust Easement Future Surface Facility Sites, Public Trust Pipeline and Wireline Easement, Public Trust Access Easement, Public Trust Railroad Easement and Public Trust Permanent Pipeline and Utility Easement to the State in the form of Exhibit ;

b. This Agreement, duly and properly executed by Long Beach;

C. Notification of Intention to Close Escrow.

i. Upon receipt of all documents described in Paragraph B above, Escrow Agent shall notify the Parties of its intention to close escrow, to record the documents, along with any other necessary documents and shall set a date certain for such recordation and Closing.

D. Close of Escrow.

i. At 8:00 a.m., or as early as possible on the date chosen for Closing, the Escrow Agency shall perform the following acts in the order set forth:

a. Record the duly and properly executed copy of this Agreement;

b. Record, in the following sequence, the duly and properly executed Deeds (and other recordable documents), with Certificates of Acceptance attached:

(i) Long Beach Public Trust Deed.

(ii) State Public Trust Deed.

(iii) POLA Trust Termination Deed.

(iv) State Trust Termination Deed.

c. Deliver copies of all documents as may have been deposited with the Escrow Agent to such Parties as may request them.

ii. The term “Close of Escrow” and “Closing” shall mean the date and time of recording of the Deeds.

iii. When all the documents have been recorded, the Escrow Agent is authorized and directed to deliver copies of the Agreement to the Parties and original Deeds to the grantees thereof.

E. Termination of Escrow.

- i. In the event of the termination of this Agreement, the POLA shall be responsible for all the Escrow Agent's fees for services it rendered and expenses incurred.

11. EXHIBITS

A. The exhibits to this Agreement are as follows:

- Exhibit A-1.....Plat depicting Public Trust Easement Surface Use Rights for Present Facilities and Public Trust Easement Work Areas.
- Exhibit A-2..... Plat depicting Public Trust Easement Future Surface Facility Rights.
- Exhibit A-3..... Plat depicting Public Trust Pipeline and Wireline Easement, Public Trust Railroad Easement and Public Trust Permanent Pipeline and Utility Corridor Easement.
- Exhibit B-1Plat depicting Trust Termination Easement Surface Use Rights for Present Facilities and Trust Termination Easement Work Areas.
- Exhibit B-2.....Plat depicting Trust Termination Easement Future Surface Facility Rights.
- Exhibit B-3.....Plat depicting Trust Termination Pipeline and Wireline Easement.
- Exhibit CLegal Description of Existing Easements (Public Trust)
- Exhibit D-1Legal Description of Trust Termination Easement Surface Use Rights for Present Facilities and Trust Termination Easement Work Areas
- Exhibit D-2..... Legal Description of Trust Termination Easement Future Surface Facility Sites
- Exhibit D-3.....Legal Description of Trust Termination Pipeline and Wireline Easement
- Exhibit EForm of Long Beach Quitclaim Deed to State for Public Trust Easements
- Exhibit F.....Form of State Certificate of Acceptance for Public Trust Easements

- Exhibit GForm of State Quitclaim Deed to POLA for Public Trust Easements
- Exhibit H.....Form of POLA Grant Deed to State for Trust Termination Easements
- Exhibit IForm of State Certificate of Acceptance for Trust Termination Easements
- Exhibit JForm of State Quitclaim Deed to Long Beach for Trust Termination Easements
- Exhibit K.....Plat Depicting Abandoned Wells
- Exhibit L-1Plat Depicting Abandoned Pipelines and Wirelines and Replacement Pipelines and Wirelines.
- Exhibit L-2Breakdown of Estimated Pipeline and Wireline Abandonment and Replacement Costs.

B. All preliminary recitals of and exhibits to this Agreement (Exhibits A through L), are hereby incorporated by reference within it.

11. NOTIFICATIONS

All notices to be given to any Party by another Party shall be in writing, addressed to such Party at its address set forth below, and shall be deemed to have been given: a) when delivered in person to an officer of the other Party or Parties; or b) when delivered by Federal Express or other similar overnight delivery service; or c) when received by telephonic facsimile, if confirmed and followed within (1) business day by mailing the original. Any notice given in any other fashion shall be deemed to have been given when actually received by the addressee. Any Party may change its address by giving written notice to all other Parties. The addresses of the Parties hereto are as follows:

- STATE: California State Lands Commission
100 Howe Avenue, Suite 100 South
Sacramento, CA 95825-8202
c/o Executive Officer
- Copy to:* Attorney General’s Office
110 West A Street, 11th Floor
San Diego, CA 92101
c/o Hayley Peterson, Deputy Attorney General
- POLA: Port of Los Angeles
425 S. Palos Verdes Street
San Pedro, CA 90731

c/o Executive Director

Long Beach:

City of Long Beach
Department of Gas & Oil
2400 E. Spring Street
Long Beach, CA 90806
c/o Director

APPROVED AS TO FORM:

KAMALA D. HARRIS
Attorney General of the State of California

By _____
Hayley Peterson
Deputy Attorney General
Attorneys for the California State Lands Commission

APPROVALS (Acknowledgements of Signatures to be Attached):

STATE OF CALIFORNIA
Acting by and through the
CALIFORNIA STATE LANDS COMMISSION

Date: _____

By _____

CURTIS L. FOSSUM
Executive Officer

CITY OF LOS ANGELES

Date: _____

By _____

Name _____

Title _____

APPROVED AS TO FORM:

By: _____

City Attorney

CITY OF LONG BEACH

Date: _____

By _____

Name _____

Title _____

APPROVED AS TO FORM:

By: _____
City Attorney

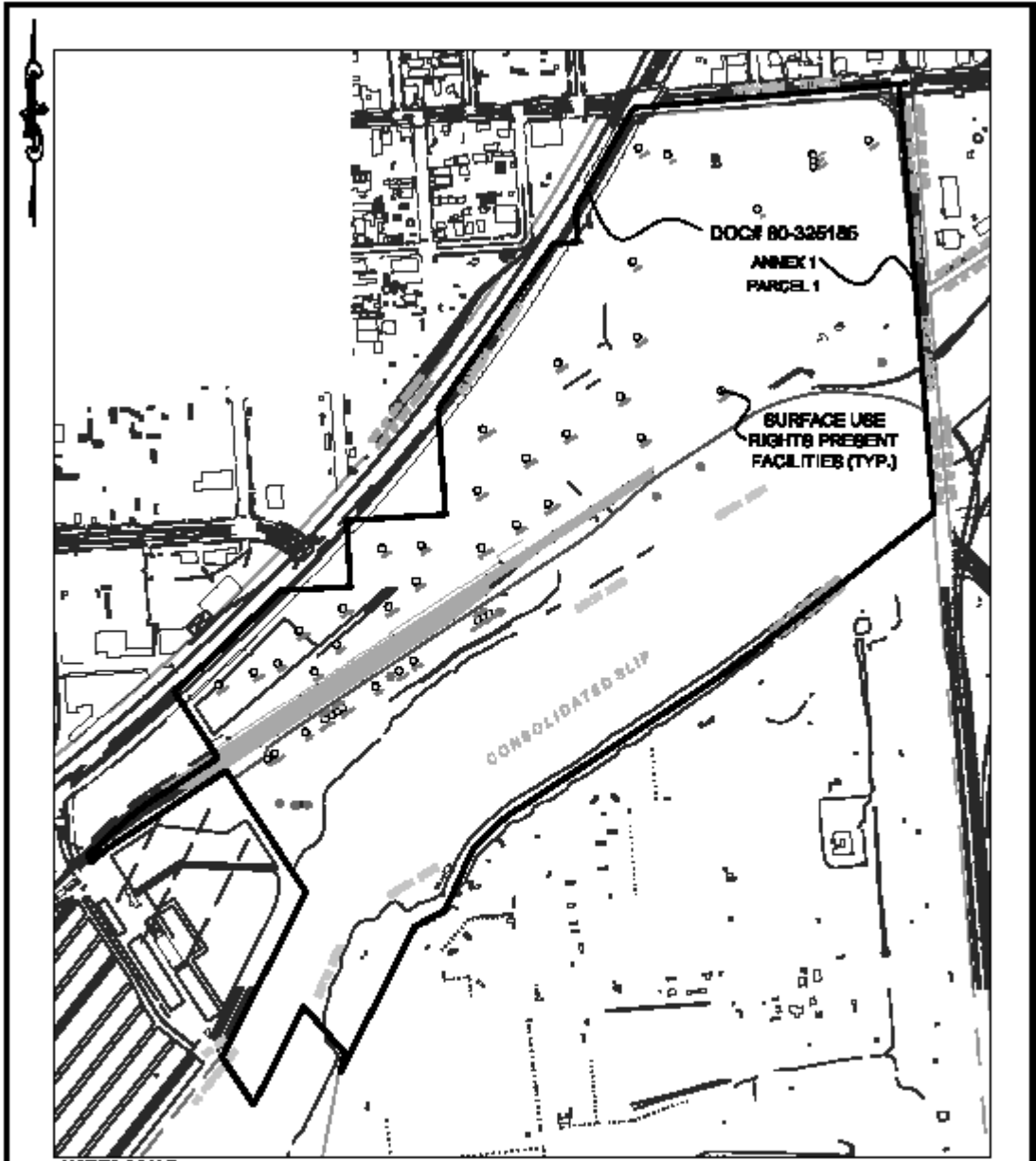
IN APPROVAL WHEREOF, I EDMUND G. BROWN JR., Governor of the State of California have set my hand and caused the seal of the State of California to be hereunto affixed pursuant to Section 6107 of the Public Resources Code of the State of California. Given under my hand at the City of Sacramento this ____ day of _____, 2011.

EDMUND G. BROWN JR.
Governor, State of California

Dated: _____

Attest:

DEBRA BOWEN, Secretary of State



NOT TO SCALE

EXHIBIT A-1

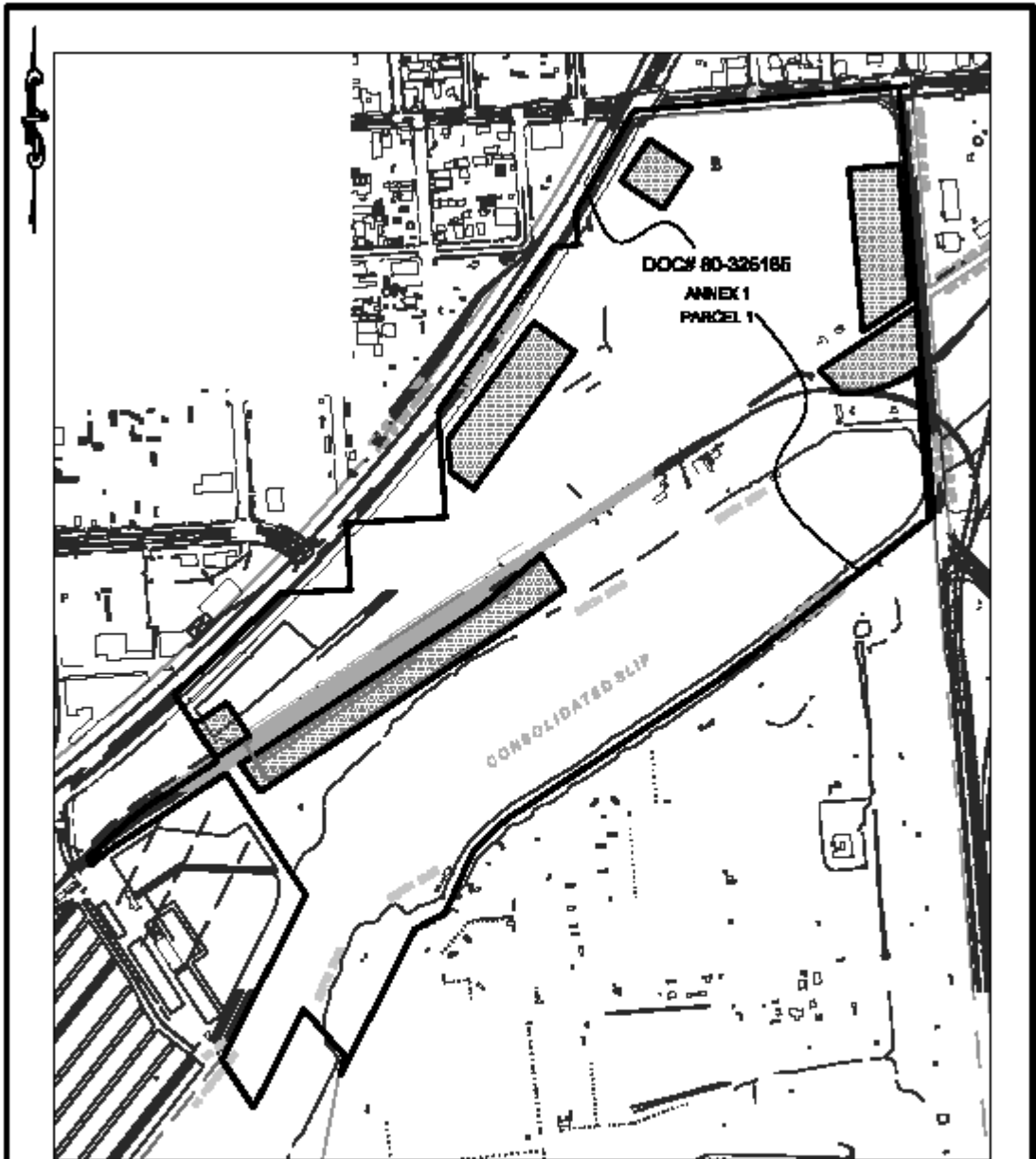
PUBLIC TRUST EASEMENTS - PORT OF LOS ANGELES

MF 8/20/11

Public Trust Easement Surface Use
Rights Present Facilities Public
Trust Easement and Work Areas

**CALIFORNIA STATE
LANDS COMMISSION**





NOT TO SCALE

EXHIBIT A-2

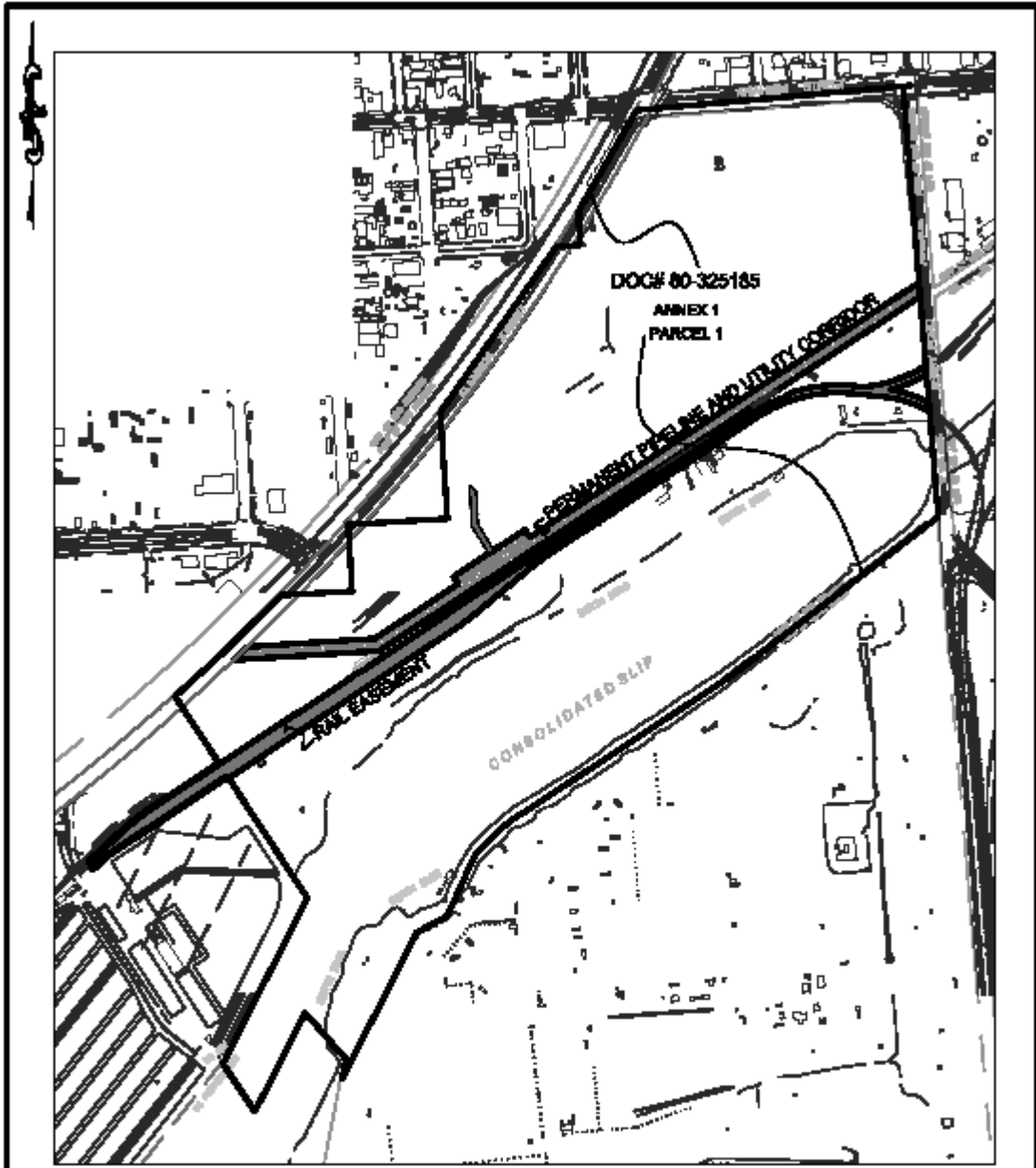
PUBLIC TRUST EASEMENTS - PORT OF LOS ANGELES

MF 8/20/71

Public Trust Easement
Surface Facility Sites

**CALIFORNIA STATE
LANDS COMMISSION**





NOT TO SCALE

EXHIBIT A-3

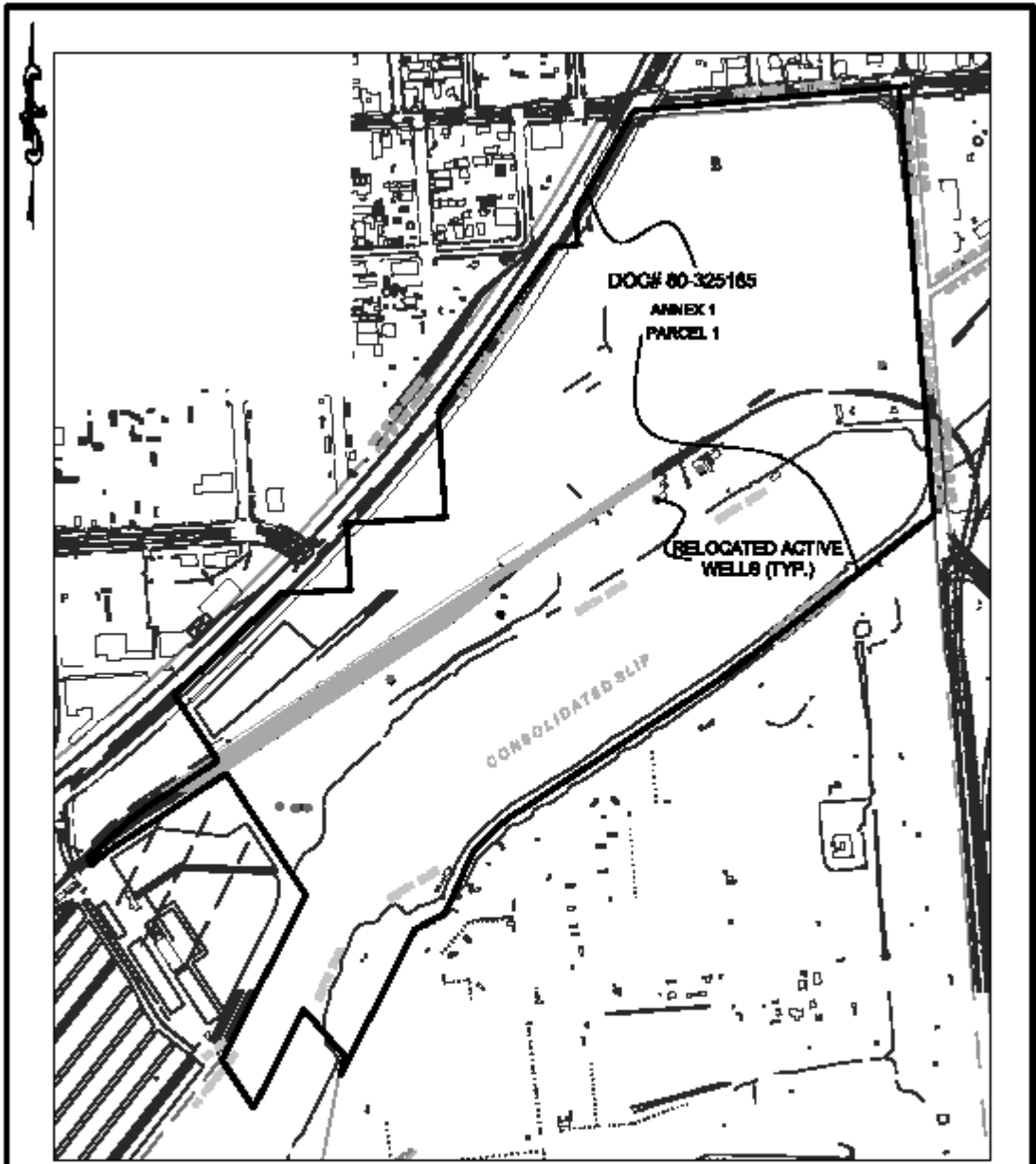
PUBLIC TRUST EASEMENTS - PORT OF LOS ANGELES

MF 8/20/11

Public Trust Pipeline & Wireline Easement,
 Public Trust Railroad Easement and
 Public Trust Permanent Pipeline and Utility Easement

**CALIFORNIA STATE
 LANDS COMMISSION**





NOT TO SCALE

EXHIBIT B-1

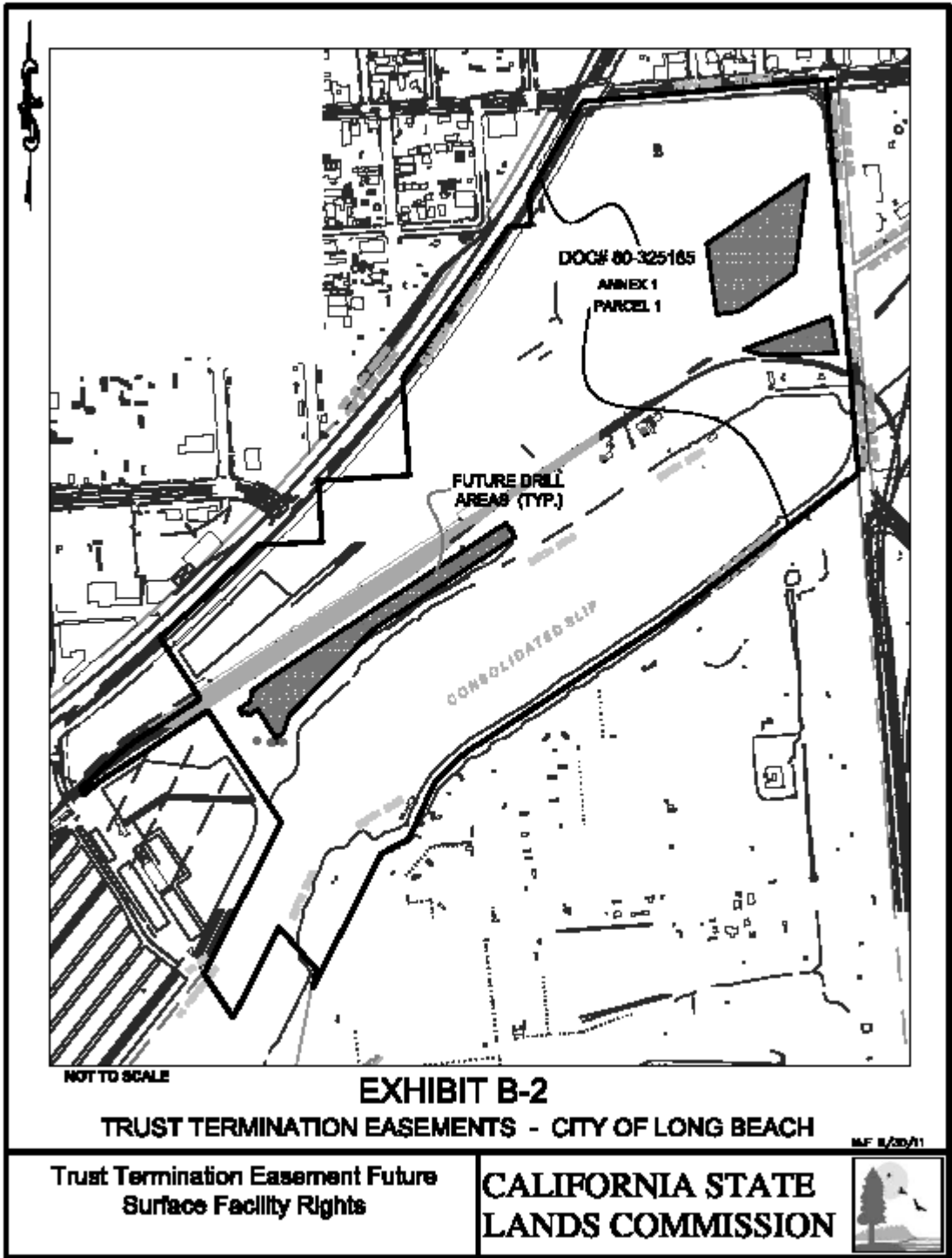
TRUST TERMINATION EASEMENTS - PORT OF LOS ANGELES

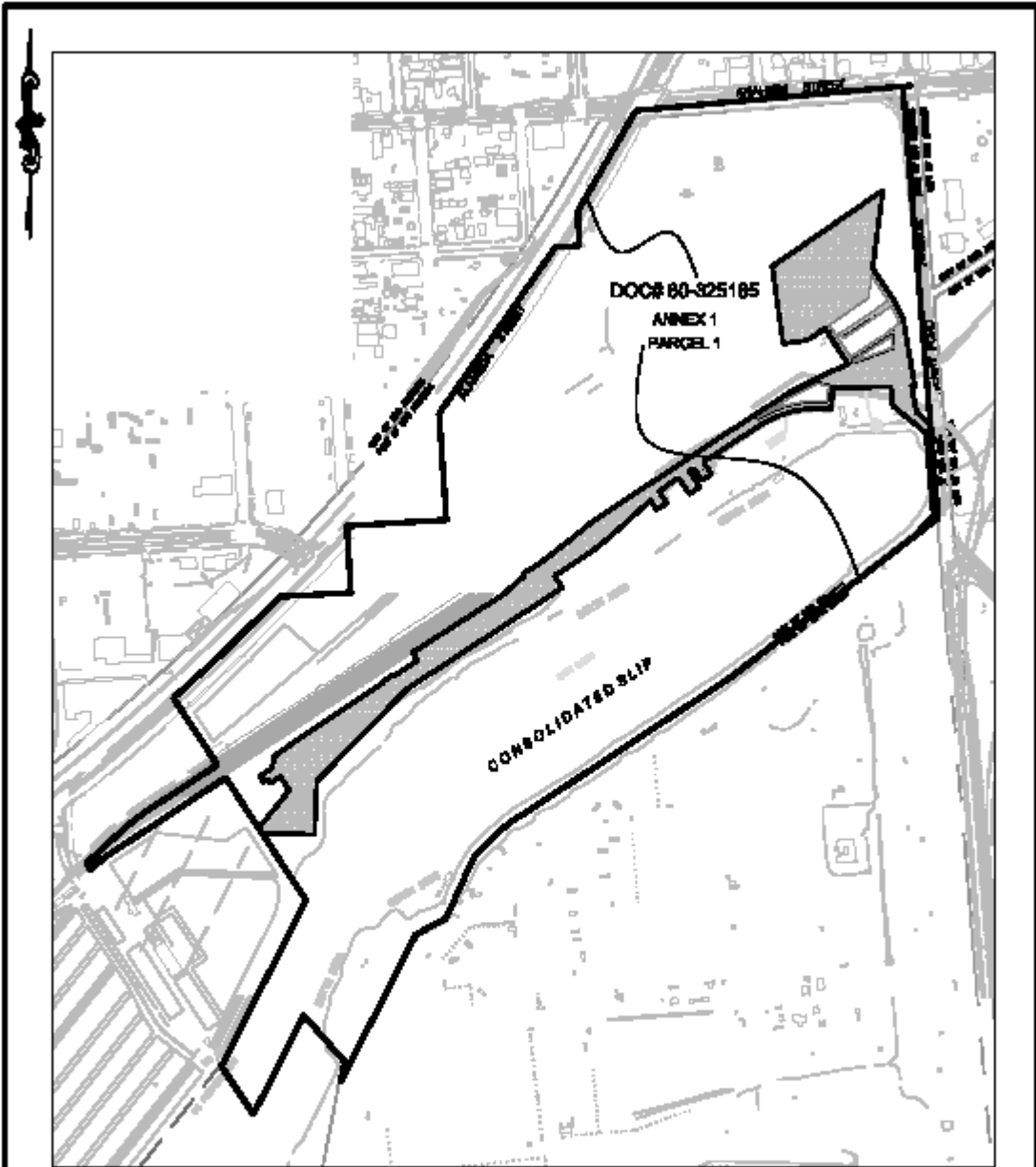
MF 8/20/11

Trust Termination Easement Surface Use
Rights for Present Facilities and Trust
Termination Easement Work Areas

**CALIFORNIA STATE
LANDS COMMISSION**







NOT TO SCALE

EXHIBIT B-3

TRUST TERMINATION EASEMENTS - PORT OF LOS ANGELES

MF 8/20/11

Trust Termination Pipeline and
Wireline Easement

**CALIFORNIA STATE
LANDS COMMISSION**



EXHIBIT C
LAND DESCRIPTION
PUBLIC TRUST PARCELS

AD 585

Those parcels of land in the Wilmington district situate in the City of Los Angeles, County of Los Angeles, State of California more particular described as follows:

Parcel 1 (Surface Use Rights for Present Facilities)

Sixty-five (65) parcels of land described as Annex II "Existing Oil Field Use Areas" in that certain document entitled "Conveyance by Union Pacific Land Resources Corporation and Champlin Petroleum Company to City of Los Angeles and State of California" recorded March 31, 1980 in document 80-325185 Los Angeles County records.

Parcel 2 (Work Areas)

Those lands described as work areas in Article 1.1 B. 2. of that certain document entitled "Conveyance by Union Pacific Land Resources Corporation and Champlin Petroleum Company to City of Los Angeles and State of California" recorded March 31, 1980 in document 80-325185 Los Angeles County records.

Parcel 3 (Future Surface Facility Sites and Facility Relocations)

Nine (9) parcels of land described as Annex III, "Areas X, Y, Z" in that certain document entitled "Conveyance by Union Pacific Land Resources Corporation and Champlin Petroleum Company to City of Los Angeles and State of California" recorded March 31, 1980 in document 80-325185 Los Angeles County records.

Parcel 4 (Oil Field Pipeline and Wireline Rights)

Two (2) parcels of land described as Annex IV, "Oil Field Pipeline and Wireline Corridors" in that certain document entitled "Conveyance by Union Pacific Land Resources Corporation and Champlin Petroleum Company to City of Los Angeles and State of California" recorded March 31, 1980 in document 80-325185 Los Angeles County records.

Parcel 5 (Access Rights)

Those lands described as work areas in Article 1.1 B. 8. of that certain document entitled "Conveyance by Union Pacific Land Resources Corporation and Champlin Petroleum Company to City of Los Angeles and State of California" recorded March 31, 1980 in document 80-325185 Los Angeles County records.

Parcel 6 (Railroad Easements)

A parcel of land described as Annex VII, "Retained Railroad Easements" in that certain document entitled "Conveyance by Union Pacific Land Resources Corporation and Champlin Petroleum Company to City of Los Angeles and State of California" recorded March 31, 1980 in document 80-325185 Los Angeles County records.

Parcel 7 (Permanent Pipeline and Utility Rights)

Three (3) parcels of land described as Annex VIII, "Permanent Pipeline and Utility Rights" in that certain document entitled "Conveyance by Union Pacific Land Resources Corporation and Champlin Petroleum Company to City of Los Angeles and State of California" recorded March 31, 1980 in document 80-325185 Los Angeles County records.

END OF DESCRIPTION



**EXHIBIT D-1
LAND DESCRIPTION
TRUST TERMINATION EASEMENTS
SURFACE USE RIGHTS FOR PRESENT FACILITIES AND WORK AREAS**

[Pending]

**EXHIBIT D-2
LAND DESCRIPTION
TRUST TERMINATION EASEMENT
FUTURE SURFACE FACILITY SITES**

[Pending]

**EXHIBIT D-3
LAND DESCRIPTION
TRUST TERMINATION EASEMENT
PIPELINE AND WIRELINE EASEMENT**

[Pending]

EXHIBIT E
FORM OF LONG BEACH QUITCLAIM DEED TO STATE

RECORDED AT THE REQUEST OF
AND WHEN RECORDED MAIL TO:

STATE OF CALIFORNIA
State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202
Attn: Legal Dept

STATE OF CALIFORNIA
OFFICIAL BUSINESS
Document entitled to free recordation
pursuant to Government Code Section 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

A.P.N.
S.L.C. *AD 585/G05-04*

QUITCLAIM DEED

WHEREAS, pursuant to Chapter 651, Statutes of 1929 as amended by Chapter 926, Statutes of 1979 the State of California, acting by and through the State Lands Commission (“State”), the City of Los Angeles, a municipal corporation, acting by and through its Board of Harbor Commissioners (the “Port”), and the City of Long Beach, a municipal corporation, acting by and through its City Council (“Long Beach”) have entered into a land exchange agreement with respect to certain interests in land within the Wilmington District of the Port of Los Angeles, Los Angeles County, State of California, the terms and conditions of which agreement are fully set forth in that certain agreement entitled the “Land Exchange Agreement to Relocate Surface and Use Rights Associated With Oil Production to Facilitate Construction of a Rail Yard” recorded in the Official Records of the Los Angeles County, as Recorder’s Document No. _____ (the “Exchange Agreement”);

WHEREAS, the purpose of the Exchange Agreement is to relocate certain existing easements within the Berth 200 area.

WHEREAS, in 1980 the Port, the State, Union Pacific Land Resources Corporation and Champlin Petroleum Company entered into a settlement, which is commonly known as the “Condock I Settlement,” to resolve a quiet title action over ownership of more than 225 acres of land in Wilmington District, Port of Los Angeles. Union Pacific Land Resources Corporation and Champlin Petroleum Company reserved various easements “Conveyance by Union Pacific Land Resources Corporation and Champlin Petroleum Company to City of Los Angeles and State of California”, which was recorded on March 31, 1980 as instrument no. 80-325185 by the County Recorder of Los Angeles County, hereinafter referred to as “Condock Conveyance”.

WHEREAS, the Long Beach succeeded to the surface and use rights reserved by Union Pacific Land Resources Company and Union Pacific Resources Company in the Condock Conveyance as evidenced by paragraph 19 of Annex II of the *Conveyance from Union Pacific Land Resources Company and Union Pacific Resources Company to the City of Long Beach* which was recorded on March 22, 1994 as instrument no. 94-559636 by the County Recorder of Los Angeles County.

WHEREAS, through the Exchange Agreement, Long Beach intends to quitclaim to the State its entire interest in the following easements, also referred to collectively as the “Public Trust Easements”:

- (a) Surface Use Rights for Present Facilities granted in Article 1.1(B)(1) of the Condock Conveyance and more particularly described in Annex II thereto, as well as all subsequently installed and subsequently abandoned wells, referred to herein as “Public Trust Easement Surface Use Rights for Present Facilities”, described as Parcel 1 in Exhibit 1.
- (b) Interest in and ability to designate Work Areas surrounding the then existing wells described in Article 1.1(B)(2) of the Condock Conveyance and listed in Annex II thereto, as well as all subsequently installed and subsequently abandoned wells, referred to herein as “Public Trust Easement Work Areas”, described as Parcel 2 in Exhibit 1.
- (c) Right to enter upon and use the Future Surface Facility Sites granted in Article 1.1(B)(3) of the Condock Conveyance and more particularly described in Annex III thereto and identified as “Area X-1” through “Area X-6”, “Area Y,” “Area Z-1,” and “Area Z-2”, referred to herein as “Public Trust Easement Future Surface Facility Sites”, described as Parcel 3 in Exhibit 1.
- (d) Rights to maintain and use the pipelines and wirelines granted in Article 1.1(B)(4) of the Condock Conveyance including the pipeline corridor described in Annex IV thereto, referred to herein as “Public Trust Pipeline and Wireline Easement”, described as Parcel 4 in Exhibit 1.
- (e) Surface entry and use rights for purposes of access conveyed in Article 1.1(B)(6) of the Condock Conveyance, referred to herein as “Public Trust Access Easement”,

described as Parcel 5 in Exhibit 1.

- (f) Easement for railroad purposes conveyed in Article 1.1(E) of the Condock Conveyance and more particularly described in Annex VII thereto, referred herein as “Public Trust Railroad Easement”, described as Parcel 6 in Exhibit 1.
- (g) Interest in the pipeline and utility corridor reserved in Article 1.1(F) of the Condock Conveyance and more particularly described in Annex VIII thereto, referred to herein as “Public Trust Permanent Pipeline and Utility Easement”, described as Parcel 7 in Exhibit 1.

WHEREAS, in exchange for the Public Trust Easements, the Port will grant to the State the Trust Termination Easements which the State will quitclaim to Long Beach.

WHEREAS, the State Lands Commission, at its public meeting in Sacramento, California on June 23, 2011, approved Minute Item No.115, which authorizes the Exchange Agreement and associated agreements and documents; and

NOW, THEREFORE,

The CITY OF LONG BEACH, a municipal corporation, hereby quitclaims to the State all of its right, title and interest in the (a) Public Trust Easement Surface Use Rights for Present Facilities, (b) Public Trust Easement Work Areas, (c) Public Trust Easement Future Surface Facility Sites, (d) Public Trust Pipeline and Wireline Easement, (e) Public Trust Access Easement, (f) Public Trust Railroad Easement and (g) Public Trust Permanent Pipeline and Utility Easement as described in the attached Exhibit 1.

Date_____

City of Long Beach

EXHIBIT F
FORM OF STATE CERTIFICATE OF ACCEPTANCE FOR LONG BEACH DEED

RECORDED AT THE REQUEST OF
AND WHEN RECORDED MAIL TO:

STATE OF CALIFORNIA
State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202
Attn: Legal Division

STATE OF CALIFORNIA
OFFICIAL BUSINESS
Document entitled to free recordation
pursuant to Government Code Section 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

A.P.N.
S.L.C. *AD 585*

CERTIFICATE OF ACCEPTANCE AND CONSENT TO RECORDING
Government Code 27281

This is to certify that the STATE OF CALIFORNIA, acting by and through the CALIFORNIA STATE LANDS COMMISSION, an agency of the STATE OF CALIFORNIA, hereby accepts from the CITY OF LONG BEACH a Quitclaim Deed dated _____, 2011, of which a true and correct copy is attached hereto, of all of CITY OF LONG BEACH's right, title and interest in real property described therein.

The STATE OF CALIFORNIA, acting by and through the CALIFORNIA STATE LANDS COMMISSION, an agency of the STATE OF CALIFORNIA, hereby consents to the recordation of this conveyance in the Office of the Recorder for the County of Los Angeles.

The said interests in real property are accepted by the STATE OF CALIFORNIA, in its sovereign capacity in trust for the people of the state, as real property of the legal character of tidelands and submerged lands.

[Remainder of page intentionally left blank]

This acceptance and consent to recording is executed by and on behalf of the STATE OF CALIFORNIA by the CALIFORNIA STATE LANDS COMMISSION, acting pursuant to law, as approved by Minute Item No. C 115 of its public meeting in Sacramento, California on June 23, 2011 by its duly authorized undersigned officer.

STATE OF CALIFORNIA
CALIFORNIA STATE LANDS COMMISSION

Dated: _____ By: _____

CURTIS FOSSUM
Executive Officer

EXHIBIT G
FORM OF STATE QUITCLAIM DEED TO POLA

RECORDED AT THE REQUEST OF
AND WHEN RECORDED MAIL TO:

STATE OF CALIFORNIA
State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202
Attn: Legal Dept

STATE OF CALIFORNIA
OFFICIAL BUSINESS
Document entitled to free recordation
pursuant to Government Code Section 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

A.P.N.
S.L.C. *AD 585/G05-04*

STATE OF CALIFORNIA
QUITCLAIM DEED

WHEREAS, pursuant to Chapter 651, Statutes of 1929 as amended by Chapter 926, Statutes of 1979 the State of California, acting by and through the State Lands Commission (“State”), the City of Los Angeles, a municipal corporation, acting by and through its Board of Harbor Commissioners (the “Port”), and the City of Long Beach, a municipal corporation, acting by and through its City Council (“Long Beach”) have entered into a land exchange agreement with respect to certain interests in land within the Wilmington District of the Port of Los Angeles, Los Angeles County, State of California, the terms and conditions of which agreement are fully set forth in that certain agreement entitled the “Land Exchange Agreement to Relocate Surface and Use Rights Associated With Oil Production to Facilitate Construction of a Rail Yard” recorded in the Official Records of the Los Angeles County, as Recorder’s Document No. _____ (the “Exchange Agreement”);

WHEREAS, the purpose of the Exchange Agreement is to relocate certain existing easements within the Berth 200 area.

WHEREAS, in 1980 the Port, the State, Union Pacific Land Resources Corporation and Champlin Petroleum Company entered into a settlement, which is commonly known as the “Condock I Settlement,” to resolve a quiet title action over ownership of more than 225 acres of land in Wilmington District, Port of Los Angeles. Union Pacific Land Resources Corporation and Champlin Petroleum Company reserved various easements “Conveyance by Union Pacific Land Resources Corporation and Champlin Petroleum Company to City of Los Angeles and

State of California”, which was recorded on March 31, 1980 as instrument no. 80-325185 by the County Recorder of Los Angeles County, hereinafter referred to as “Condock Conveyance”.

WHEREAS, the Long Beach succeeded to the surface and use rights reserved by Union Pacific Land Resources Company and Union Pacific Resources Company in the Condock Conveyance as evidenced by paragraph 19 of Annex II of the *Conveyance from Union Pacific Land Resources Company and Union Pacific Resources Company to the City of Long Beach* which was recorded on March 22, 1994 as instrument no. 94-559636 by the County Recorder of Los Angeles County.

WHEREAS, pursuant the Exchange Agreement, Long Beach has conveyed its entire interest in the Public Trust Easements, more particularly described in the attached Exhibit 1 Quitclaim Deed, to the State.

WHEREAS, the State has accepted the Public Trust Easements and impressed them with the public trust.

WHEREAS, pursuant to the Exchange Agreement, it is the intent of the State to convey any right, title and interest it acquired from Long Beach in the Public Trust Easements, to the Port in trust.

WHEREAS, the State Lands Commission, at its public meeting in Sacramento, California on June 23, 2011, approved Minute Item No.115, which authorizes the Exchange Agreement and associated agreements and documents.

NOW, THEREFORE,

The STATE of CALIFORNIA, acting by and through the STATE LANDS COMMISSION, does hereby REMISE, RELEASE AND FOREVER QUITCLAIM to the Port, in trust, its entire interest in the Public Trust Easements as described in Exhibit 1 attached.

[Remainder of page intentionally left blank]

IN APPROVAL WHEREOF, I, EDMUND G. BROWN, JR., Governor of the State of California, have set my hand and caused the seal of the State of California to be hereunto affixed pursuant to Section 6107 of the Public Resources Code of the State of California. Given under my hand at the City of Sacramento this ____ day of _____, two thousand eleven.

EDMUND G. BROWN, JR.
Governor

Attest:

SECRETARY OF STATE

EXHIBIT H
FORM OF POLA GRANT DEED TO STATE

RECORDED AT THE REQUEST OF
AND WHEN RECORDED MAIL TO:

STATE OF CALIFORNIA
State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202
Attn: Legal Dept

STATE OF CALIFORNIA
OFFICIAL BUSINESS
Document entitled to free recordation
pursuant to Government Code Section 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

A.P.N.
S.L.C. *AD 585/G05-04*

GRANT DEED

WHEREAS, pursuant to Chapter 651, Statutes of 1929 as amended by Chapter 926, Statutes of 1979 the State of California, acting by and through the State Lands Commission (“State”), the City of Los Angeles, a municipal corporation, acting by and through its Board of Harbor Commissioners (the “Port”), and the City of Long Beach, a municipal corporation, acting by and through its Gas and Oil Department (“Long Beach”) have entered into a land exchange agreement with respect to certain interests in land within the Wilmington District of the Port of Los Angeles, Los Angeles County, State of California, the terms and conditions of which agreement are fully set forth in that certain agreement entitled the “Land Exchange Agreement to Relocate Surface and Use Rights Associated With Oil Production to Facilitate Construction of a Rail Yard” recorded in the Official Records of the Los Angeles County, as Recorder’s Document No. _____ (the “Exchange Agreement”);

WHEREAS, the purpose of the Exchange Agreement is to relocate certain existing easements within the Berth 200 area.

WHEREAS, in 1980 the Port, the State, and Union Pacific entered into a settlement which is commonly known as the “Condock I Settlement” to resolve a quiet title action over ownership of more than 225 acres of land in Wilmington District, Port of Los Angeles. Union Pacific reserved various easements “Conveyance by Union Pacific Land Resources Corporation and Champlin Petroleum Company to City of Los Angeles and State of California”, which was recorded on March 31, 1980 as instrument no. 80-325185 by the County Recorder of Los Angeles County.

WHEREAS, through the Exchange Agreement, Long Beach will convey its entire interest in the Public Trust Easements, to the State which will then be conveyed to the Port in trust.

WHEREAS, pursuant to the Exchange Agreement, it is the intent of Port to grant to the State the following easements:

- (a) Surface Use Rights for Present Facilities which consist of the eight operating wells depicted on Exhibit B-1, referred to herein as “Trust Termination Easement Surface Use Rights for Present Facilities”, described as Parcel 1 through Parcel 8 in the attached Exhibit 1.
- (b) Right to designate Work Areas surrounding the eight operating wells listed above on the same terms provided in the Condock Conveyance, referred to herein as “Trust Termination Easement Work Areas”, described in the attached Exhibit 1.
- (c) Rights to enter upon and use the area shown on Exhibit B-2 and designated “Area A”, “Area B” and “Area C” for any and all new or relocated wells (oil, gas, water source, water injection or chemical injection) and appurtenances thereto; referred to herein as “Trust Termination Easement Future Surface Facility Sites”, described as Parcel 1 through Parcel 3 in the attached Exhibit 2.
- (d) The right to construct, use, maintain, and renew pipelines and wirelines in the corridor shown on Exhibit B-3; such rights shall include the right to connect any new wells or facilities created in the Trust Termination Easement Future Surface Facility Sites to pipelines and wirelines in the corridor; referred to herein as “Trust Termination Pipeline and Wireline Easement”, described in the attached Exhibit 3.
- (e) The right to enter upon and use the surface of the Trust Termination Easement Surface Use Rights for Present Facilities, the Trust Termination Easement Work Areas, the Trust Termination Easement Future Surface Facility Sites, and the Trust Termination Pipeline and Wireline Easement as necessary for all purposes incident to or in connection with the purposes set forth in Article 1.1(B) of the Condock Conveyance, referred to herein as “Trust Termination Access Easement.”

WHEREAS, the State Lands Commission, at its public meeting in Sacramento, California on June 23, 2011, approved Minute Item No.115, which authorizes the Exchange Agreement and associated agreements and documents; and

NOW, THEREFORE,

The CITY OF LOS ANGELES, acting by and through its BOARD OF HARBOR COMMISSIONERS, hereby grants to the State the (a) Trust Termination Easement Surface Use Rights for Present Facilities described in Exhibit 1, (b) Trust Termination Easement Work Areas described in Exhibit 1, (c) Trust Termination Easement Future Surface Facility Sites described in

Exhibit 2, (d) Trust Termination Pipeline and Wireline Easement described in Exhibit 3 and the (e) Trust Termination Access Easement.

Date _____

City of Los Angeles

EXHIBIT I
FORM OF STATE CERTIFICATE OF ACCEPTANCE FOR POLA GRANT DEED

RECORDED AT THE REQUEST OF
AND WHEN RECORDED MAIL TO:

STATE OF CALIFORNIA
State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202
Attn: Legal Division

STATE OF CALIFORNIA
OFFICIAL BUSINESS
Document entitled to free recordation
pursuant to Government Code Section 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

A.P.N.
S.L.C. AD 585

CERTIFICATE OF ACCEPTANCE AND CONSENT TO RECORDING
Government Code 27281

This is to certify that the STATE OF CALIFORNIA, acting by and through the CALIFORNIA STATE LANDS COMMISSION, an agency of the STATE OF CALIFORNIA, hereby accepts from the PORT OF LOS ANGELES. a Quitclaim Deed dated _____, 2011, of which a true and correct copy is attached hereto, of all of PORT OF LOS ANGELES' right, title and interest in real property described therein.

The STATE OF CALIFORNIA, acting by and through the CALIFORNIA STATE LANDS COMMISSION, an agency of the STATE OF CALIFORNIA, hereby consents to the recordation of this conveyance in the Office of the Recorder for the County of Los Angeles.

The said interests in real property are accepted by the STATE OF CALIFORNIA, in its sovereign capacity in trust for the people of the state, as real property of the legal character of tidelands and submerged lands.

[Remainder of page intentionally left blank]

This acceptance and consent to recording is executed by and on behalf of the STATE OF CALIFORNIA by the CALIFORNIA STATE LANDS COMMISSION, acting pursuant to law, as approved by Minute Item No. C 115 of its public meeting in Sacramento, California on June 23, 2011 by its duly authorized undersigned officer.

STATE OF CALIFORNIA

CALIFORNIA STATE LANDS COMMISSION

Dated: _____ By: _____

CURTIS FOSSUM

Executive Officer

EXHIBIT J
FORM OF STATE QUITCLAIM DEED TO LONG BEACH

RECORDED AT THE REQUEST OF
AND WHEN RECORDED MAIL TO:

STATE OF CALIFORNIA
State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202
Attn: Legal Dept

STATE OF CALIFORNIA
OFFICIAL BUSINESS
Document entitled to free recordation
pursuant to Government Code Section 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

A.P.N.
S.L.C. *AD 585/G05-04*

STATE OF CALIFORNIA
QUITCLAIM DEED

WHEREAS, pursuant to Chapter 651, Statutes of 1929 as amended by Chapter 926, Statutes of 1979 the State of California, acting by and through the State Lands Commission (“State”), the City of Los Angeles, a municipal corporation, acting by and through its Board of Harbor Commissioners (the “Port”), and the City of Long Beach, a municipal corporation, acting by and through its City Council (“Long Beach”) have entered into a land exchange agreement with respect to certain interests in land within the Wilmington District of the Port of Los Angeles, Los Angeles County, State of California, the terms and conditions of which agreement are fully set forth in that certain agreement entitled the “Land Exchange Agreement to Relocate Surface and Use Rights Associated With Oil Production to Facilitate Construction of a Rail Yard” recorded in the Official Records of the Los Angeles County, as Recorder’s Document No. _____ (the “Exchange Agreement”);

WHEREAS, the purpose of the Exchange Agreement is to relocate certain existing easements within the Berth 200 area.

WHEREAS, in 1980 the Port, the State, Union Pacific Land Resources Corporation and Champlin Petroleum Company entered into a settlement, which is commonly known as the “Condock I Settlement,” to resolve a quiet title action over ownership of more than 225 acres of land in Wilmington District, Port of Los Angeles. Union Pacific Land Resources Corporation and Champlin Petroleum Company reserved various easements “Conveyance by Union Pacific

Land Resources Corporation and Champlin Petroleum Company to City of Los Angeles and State of California”, which was recorded on March 31, 1980 as instrument no. 80-325185 by the County Recorder of Los Angeles County, hereinafter referred to as “Condock Conveyance”.

WHEREAS, the Long Beach succeeded to the surface and use rights reserved by Union Pacific Land Resources Company and Union Pacific Resources Company in the Condock Conveyance as evidenced by paragraph 19 of Annex II of the *Conveyance from Union Pacific Land Resources Company and Union Pacific Resources Company to the City of Long Beach* which was recorded on March 22, 1994 as instrument no. 94-559636 by the County Recorder of Los Angeles County.

WHEREAS, through the Exchange Agreement, Long Beach has conveyed its entire interest in the Public Trust Easements to the State which has been conveyed to the Port, in trust.

WHEREAS, pursuant to the Exchange Agreement, the Port has granted to the State the Trust Termination Easements.

WHEREAS, pursuant to the Exchange Agreement, it is the intent of the State to convey any right, title and interest it has in the Trust Termination Easements, free of the public trust, to Long Beach, pursuant to the Grant Deed attached as Exhibit 1.

WHEREAS, the State does not intend to terminate any public trust interest or state sovereign title in lands other than that existing solely within the Trust Termination Easements being conveyed to Long Beach.

WHEREAS, the Port has conveyed by the aforementioned Grant Deed to the State the Trust Termination Easements.

WHEREAS, the State Lands Commission, at its public meeting in Sacramento, California on June 23, 2011, approved Minute Item No. 115, which authorizes the Exchange Agreement, its exhibits and associated agreements and documents; and

WHEREAS, the State, acting by and through the Executive Officer of its State Lands Commission pursuant to Minute Item No. 115, has accepted the Grant Deed of the Port for the Easement.

NOW, THEREFORE,
The STATE of CALIFORNIA, acting by and through the STATE LANDS COMMISSION, does hereby REMISE, RELEASE AND FOREVER QUITCLAIM to Long Beach its interest in the Trust Termination Easements, more particularly described in Exhibit 1, free of the public trust.

[Remainder of page intentionally left blank]

IN APPROVAL WHEREOF, I, EDMUND G. BROWN, JR., Governor of the State of California, have set my hand and caused the seal of the State of California to be hereunto affixed pursuant to Section 6107 of the Public Resources Code of the State of California. Given under my hand at the City of Sacramento this ____ day of _____, two thousand eleven.

EDMUND G. BROWN, JR.
Governor

Attest:

SECRETARY OF STATE

EXHIBIT K
PLAT DEPICTION ABANDONED WELLS

**EXHIBIT L-1
 PLAT DEPICTING ABANDONED PIPELINES AND WIRELINES AND REPLACEMENT
 PIPELINES AND WIRELINES**

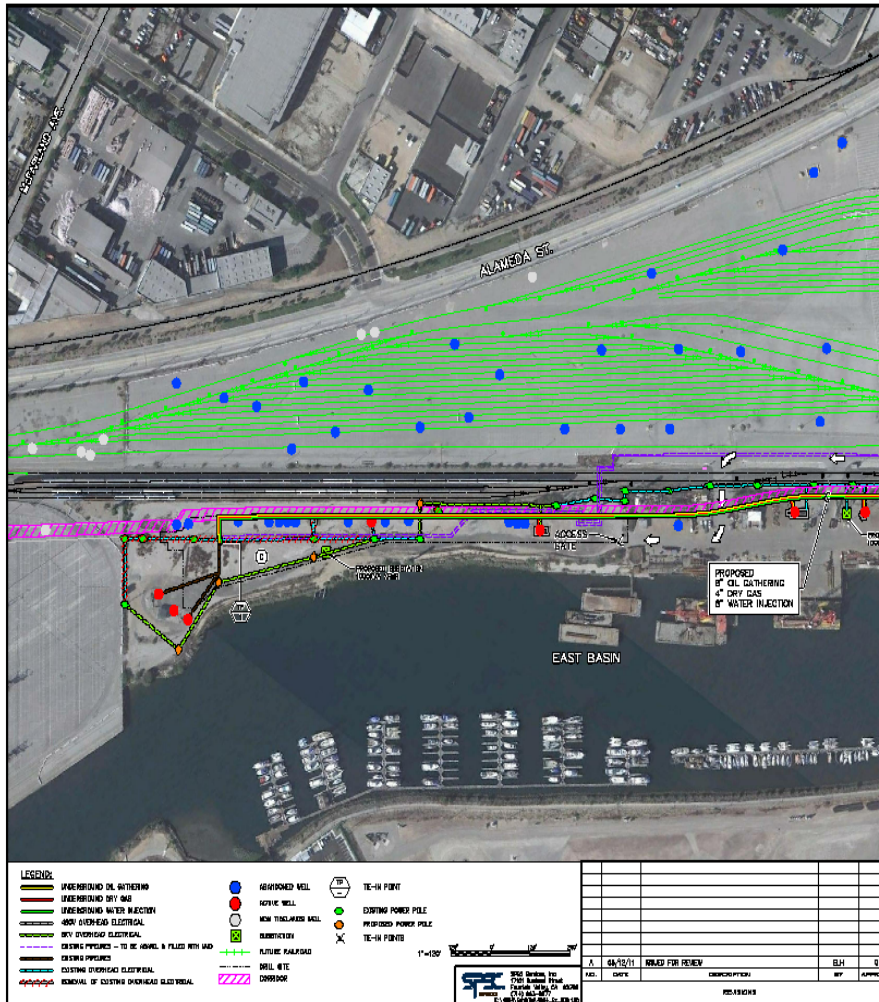


EXHIBIT L-2
BREAKDOWN OF ESTIMATED PIPELINE AND WIRELINE ABANDONMENT AND
REPLACEMENT COSTS

OXY LONG BEACH
POLA BERTH 200 PROJECT
NC LEASE WELL WORK AND FACILITY RELOCATIONS
COST BREAKDOWN

<u>Description</u>	<u>Total Cost</u>
1. WELL WORK	\$ 1,488,000
2. PIPELINE RELOCATIONS	\$ 4,809,000
3. ELECTRICAL RELOCATIONS	\$ 942,000
TOTAL	<u>\$ 7,237,000</u>

**OXY LONG BEACH
POLA BERTH 200 PROJECT**

WELL WORK

**COST BREAKDOWN
ITEM 1**

<u>Description</u>	<u>Qty</u>	<u>Unit</u>	<u>Cost/unit</u>	<u>Total Cost</u>
<u>RE-ABANDONMENT:</u>				
Old Abandonments	2	ea	\$ 170,000	\$ 340,000
Wellbore not to latest DOG standards	3	ea	\$ 170,000	\$ 510,000
Leak Test	26	ea	\$ 7,000	\$ 182,000
Subtotal				<u>\$ 1,032,000</u>
Contingency @ 20%				<u>\$ 206,000</u>
Total Direct				<u>\$ 1,238,000</u>
Tidelands Field Supervision & Overhead (20%)				<u>\$ 248,000</u>
TOTAL				<u>\$ 1,486,000</u>

Assumptions:

* Engineering and permit costs included in unit prices.

* Assumes 10% of the 28 Inaccessible Wells will need to be re-abandoned.

**OXY LONG BEACH
POLA BERTH 200 PROJECT**

PIPELINE RELOCATIONS

**COST BREAKDOWN
ITEM 2**

(Sheet 1 of 2)

Description	Qty	Unit	Cost/unit	Total Cost
Materials				
4" Sch 40 Steel Pipe, Bare ID/OD	3105 ft		\$ 11	\$ 34,155
8" Sch 80 Steel Pipe, Bare ID/OD	6210 ft		\$ 30	\$ 186,300
30" Std. w.t. Steel Casing Pipe	70 ft		\$ 118	\$ 8,280
8" SDR 32.5 HDPE Casing Pipe	210 ft		\$ 10	\$ 2,100
4" Inserts	85 ea		\$ 122	\$ 10,370
8" Inserts	175 ea		\$ 240	\$ 42,000
4" Fittings	1 lot		\$ 800	\$ 800
8" Fittings	1 lot		\$ 3,100	\$ 3,100
4" OD Coating	3105 ft		\$ 3	\$ 9,315
8" ID Coating	6210 ft		\$ 10	\$ 62,100
8" OD Coating	6210 ft		\$ 5	\$ 31,050
Coat fittings	1 lot		\$ 5,000	\$ 5,000
Valves	1 lot		\$ 65,500	\$ 65,500
Miscellaneous Materials	1 lot		\$ 4,000	\$ 4,000
Materials taxes & transportation (15%)				\$ 69,000
<i>Subtotal - materials</i>				\$ 533,050
Labor				
Mobilization, stage materials	1 lot		\$ 1,500	\$ 1,500
Install 4" Gas Line (Buried)	2820 ft		\$ 145	\$ 408,900
Mudjack Existing 4" Buried Pipeline	1680 ft		\$ 12	\$ 20,160
Remove Existing 4" Above Ground Pipeline	500 ft		\$ 30	\$ 15,000
Install 8" Injection Line (Buried)	2820 ft		\$ 200	\$ 564,000
Mudjack Existing 8" Buried Pipeline	1700 ft		\$ 15	\$ 25,500
Remove Existing 8" Above Ground Pipeline	1285 ft		\$ 60	\$ 77,100
Install 8" Gathering Line (Buried)	2820 ft		\$ 200	\$ 564,000
Mudjack Existing 8" Buried Pipeline	1790 ft		\$ 15	\$ 26,850
Remove Existing 8" Above Ground Pipeline	1280 ft		\$ 60	\$ 76,800
Install 30" Casing (Jack & Bore across existing RR)	60 ft		\$ 750	\$ 45,000
Install 8" HDPE Casing Pipe	1 lot		\$ 850	\$ 850
Excavate & Backfill Bore Pits	1 lot		\$ 42,000	\$ 42,000
Sheet Pile Shoring	1 lot		\$ 70,000	\$ 70,000
Dewatering & Handling	1 lot		\$ 70,000	\$ 70,000

**OXY LONG BEACH
POLA BERTH 200 PROJECT**

PIPELINE RELOCATIONS

**COST BREAKDOWN
ITEM 2**

(Sheet 2 of 2)

Description	Qty	Unit	Cost/unit	Total Cost
Labor				
X-Ray Welds	1	lot	\$ 25,000	\$ 25,000
Tie-ins (8 tie-ins w/ 10 man crew)	1	lot	\$ 80,000	\$ 80,000
Hydrotest & Draindown Pipelines (8 hour test)	1	lot	\$200,000	\$ 200,000
Install Cathodic Protection	1	lot	\$ 15,000	\$ 15,000
Remove Existing Concrete Pipe Supports	155	ea	\$ 200	\$ 31,000
Remove Miscellaneous Idle Lines & Equipment	1	lot	\$ 12,500	\$ 12,500
<i>Subtotal - labor</i>				<u>\$ 2,371,180</u>
Subtotal				\$ 2,904,210
Engineering/permits/survey 15%				\$ 435,600
Contingency @ 20% of Subtotal				\$ 688,000
Total Direct				<u>\$ 4,007,810</u>
Tidelands Field Supervision & Overhead (20%)				\$ 801,800
TOTAL				<u>\$ 4,809,000</u>

Assumptions:

Materials:

- * Internal coating - Fletcher Coating Co. (Quote Feb. 2010)
- * External coating - Mobile Pipe Wrappers & Coaters Inc. (Quote Feb. 2010)
- * Carbon steel piping are all ERW, Grade B pipe - Pioneer Pipe Co. (Quote Feb. 2010)
- * Fittings are all carbon steel LR 90 deg. elbows - Long Beach Pipe & Supply (Quote Oct. 2010)
- * Coating of fittings are all LR 90 deg elbows - Petros Tubular Service, Inc. (Quote Dec. 2010)
- * All valves are assumed to be ball valves - Perryman's Valve Service (Quote Sept. 2010)
- * Note: Material prices will change depending on quantities and market price escalations.

Labor:

- * Labor installation, CP, drain down, and hydrotest prices were based on SPEC Services project database.
- * Prices do not include the handling of asbestos material, contaminated soil or other hazardous material.
- * Assumes the reuse of existing backfill.
- * X-Ray of welds - Acuren Inspection Inc. (Quote Feb. 2010)
- * Unknown/unidentified substructures may alter trench depth and alignment which could change labor costs
- * Preliminary relocation routes based on current design.

**OXY LONG BEACH
POLA BERTH 200 PROJECT**

ELECTRICAL RELOCATIONS

**COST BREAKDOWN
ITEM 3**

(Sheet 1 of 2)

Description	Qty	Unit	Cost/unit	Total
Materials				
2/0 ACSR	13300	LF	\$2	\$26,800
5KV Conductor, #2 shielded, MV-105 133% Insulation (LF)	900	LF	\$10	\$9,054
600V Conductor, # 2/0 THWN (LF)	1200	LF	\$8	\$8,900
5KV Terminations	27	EA	\$100	\$2,700
480V Terminations	27	EA	\$35	\$945
1000KVA Transformer, 5kV-480V, Padmount with Pad	2	EA	\$50,000	\$100,000
Slab Fdn for Transformer	2	EA	\$1,000	\$2,000
4" RSG Conduit (LF)	40	LF	\$30	\$1,200
4" PVC Sched 40 (LF)	150	LF	\$8	\$1,232
4" 90 Degree RSG Elbow	8	EA	\$320	\$2,560
3" RSG Conduit (LF)	40	LF	\$23	\$920
3" PVC Sched 40 (LF)	350	LF	\$6	\$2,062
3" 90 Degree RSG Elbow	10	EA	\$170	\$1,700
55' Pole, crossarms and associated hardware	10	EA	\$7,350	\$73,500
*Demolition Pole removal	14	LS	\$1,000	\$14,000
Pothole (\$3,000 per Hole)	2	EA	\$900	\$1,800
Ductbank Trenching, Encasement & Re-asphalting (\$140.00/LF)	300	LF	\$42	\$12,600
200A Fused Disconnect Sw., NEMA 3R Enclosure w/Fuses	6	EA	\$1,280	\$7,560
5/8 X 10'-0" Copper Clad Ground Rod	4	EA	\$91	\$365
#2/0 Bare Copper Stranded (LF)	200	LF	\$3	\$500
5/8" Ground Rod Clamps	8	EA	\$12	\$92
New 480V Switchrack Assembly w/Trough & Main CB	2	EA	\$20,000	\$40,000
Comb Starter, 100HP, Size 4, FVNR	1	EA	\$10,245	\$10,245
Feeder Ckt Bkr, 200AT	8	EA	\$2,000	\$16,000
				<u>\$334,534</u>
Sales Tax and Freight on Purchased Material (15%)				<u>\$50,180</u>
<i>Subtotal - materials</i>				<u>\$384,714</u>

**OXY LONG BEACH
POLA BERTH 200 PROJECT**

ELECTRICAL RELOCATIONS

**COST BREAKDOWN
ITEM 3**

(Sheet 2 of 2)

Description	Qty	Unit	Cost/unit	Total
Labor				
2/0 ACSR	13300	LF	\$2	\$26,600
5KV Conductor, #2 shielded, MV-105 133% Insulation (LF)	900	LF	\$4	\$3,240
600V Conductor, # 2/0 THWN (LF)	1200	LF	1.68	\$2,016
5KV Terminations	27	EA	\$1,152	\$31,104
480V Terminations	27	EA	\$72	\$1,944
1000KVA Transformer, 5kV-480V, Padmount with Pad	2	EA	\$2,880	\$5,760
Slab Fdn for Transformer	2	EA	\$576	\$1,152
4" RSG Conduit (LF)	40	LF	\$18	\$710
4" PVC Sched 40 (LF)	150	LF	\$7	\$1,008
4" 90 Degree RSG Elbow	8	EA	\$130	\$1,040
3" RSG Conduit (LF)	40	LF	\$15	\$600
3" PVC Sched 40 (LF)	350	EA	\$112	\$39,200
3" 90 Degree RSG Elbow	10	LF	\$15	\$152
55' Pole, crossarms and associated hardware	10	EA	\$1,000	\$10,000
*Demolition Pole removal	14	LS	\$1,000	\$14,000
Pothole (\$3,000 per Hole)	2	EA	\$2,100	\$4,200
Ductbank Trenching, Encasement & Re-asphalting (\$140.00/LF)	300	LF	\$98	\$29,400
200A Fused Disconnect Sw., NEMA 3R Enclosure w/Fuses	6	EA	\$180	\$1,080
5/8 X 10'-0" Copper Clad Ground Rod	4	EA	\$90	\$360
#2/0 Bare Copper Stranded (LF)	200	LF	\$2	\$360
5/8" Ground Rod Clamps	8	EA	\$1	\$7
New 480V Switchrack Assembly w/Trough & Main CB	2	EA	\$3,360	\$6,720
Comb Starter, 100HP, Size 4, FVNR	1	EA	\$1,680	\$1,680
Feeder Ckt Bkr, 200AT	8	EA	\$210	\$1,680
<i>Subtotal - labor</i>				<u>\$184,013</u>
			Subtotal	\$588,727
				Engineering and Permits (15%) \$85,309
				Contingency (20%) \$130,807
			Total Direct	<u>\$784,843</u>
				Tidelands Overhead (20%) \$156,969
			TOTAL	<u>\$942,000</u>

Assumptions:

* Current market values, non-escalated prices.

Recorded at the request of:
STATE OF CALIFORNIA
CALIFORNIA STATE LANDS COMMISSION

WHEN RECORDED mail to:
California State Lands Commission
100 Howe Avenue, Suite 100 - South
Sacramento, CA 95825-8202
Attn: Legal
(916) 574-1850 / fax 1855 / kathryn.colson@slc.ca.gov
STATE OF CALIFORNIA - OFFICIAL BUSINESS

Document entitled to free recordation
pursuant to Government Code Section 27383

NO DOCUMENTARY TRANSFER TAX DUE
REVENUE AND TAXATION CODE SECTION 11922

C.S.L.C. – AD585/G05-04/W26479

Above Space for Recorder's Use

Los Angeles County APN #s:

LAND EXCHANGE AGREEMENT TO RELOCATE PIPELINE EASEMENT

This AGREEMENT is made and entered into by and between the STATE OF CALIFORNIA acting by and through the State Lands Commission, the CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Harbor Commissioners, with offices located at 425 S. Palos Verdes Street, San Pedro, California, 90731, and ULTRAMAR INC., a Nevada corporation, with offices located at One Valero Way, San Antonio, Texas, 78249-1616 (hereinafter the “Parties”).

RECITALS

1. This Agreement concerns two easement interests in land located in the Wilmington District of the Port of Los Angeles, Los Angeles County which consists of:
 - a. Those remaining permanent pipeline and utility rights and interests held by Ultramar Inc. stemming from those interests granted in Article 1.1(F) of the Condock Conveyance and more particularly described in Annex VIII thereto, referred herein as “Pipeline and Utility Rights Public Trust Easement”, described in Exhibit B, and depicted on Exhibit A-1.
 - b. An easement to operate, maintain, repair and replace six subsurface pipelines, referred herein as “Trust Termination Easement”, described in Exhibit C and depicted on Exhibit A-2.

07/01/2011 4:00 PM

1

TRANSMITTAL 9A

2. Upon its admission to the United States on September 9, 1850, the State of California, by virtue of its sovereignty, received in trust for the people of the California all right, title and interest in previously ungranted tidelands and submerged land within its boundaries for public trust uses, including but not limited to commerce, navigation, fisheries, water-oriented recreation, and other recognized public trust uses.
3. Pursuant to the provisions of Division 6 of the Public Resources Code, including sections 6216 and 6301, the State Lands Commission (“State” or “Commission”) is vested with all jurisdiction and authority as to the right, title and interest in all ungranted tidelands and submerged lands held by the State of California in trust for the benefit of all the people of the State. The Commission is also vested with all jurisdiction and authority as to the reversionary and residual interests of the State of California in public trust land legislatively granted in trust to local governments.
4. The City of Los Angeles (“City”) is trustee of certain tide and submerged lands within the City of Los Angeles granted to it by the Legislature by Chapter 656, Statutes of 1911, as amended by Chapter 115, Statutes of 1917, Chapter 768, Statutes of 1921; and Chapter 651, Statutes of 1929, as amended by Chapter 443, Statutes of 1951, Chapter 1046, Statutes of 1970, Chapter 926, Statutes of 1979, Chapter 923, Statutes of 1985, Chapter 1130, Statutes of 2002 (“Granting Statutes”). Pursuant to Chapter 651, Statutes of 1929, as amended by Chapter 926, Statutes of 1979, whenever it shall appear expedient to the City and in the best interests of the State for purposes set out in the Granting Statutes, and it appears no substantial interference with the trust uses and purposes will ensue, the City may exchange lands of equal or greater value located within the Wilmington District effective upon Commission approval and findings of equal or greater value.
5. In 1969, the City filed a quiet title action to resolve disputes over ownership of more than 225 acres of land in the Wilmington District of the City lying West of Henry Ford Avenue in the general vicinity of the Consolidated Channel. The action was captioned *City of Los Angeles v. Los Angeles & Salt Lake Railroad Co. et al.* and was assigned Los Angeles Superior Court case number 961846. In the action, the City alleged that the subject property consisted of tide or submerged land when California was admitted to the Union and was thus owned by the City as trustee of the State of California. Union Pacific Corporation’s subsidiaries, Union Pacific Land Resources Corporation and Champlin Petroleum Company, which had used the property for oil field operations and other purposes for more than forty years, traced their claim of title back to a Spanish land grant.
6. In 1980, the quiet title action was resolved in a settlement between Union Pacific Land Resources Corporation, Champlin Petroleum Company, the City, and the State of California, which settlement is commonly known as the “Condock I Settlement” and which was recorded on March 31, 1980 as instrument no. 80-325180 by the County Recorder of Los Angeles County.

7. Pursuant to the terms of the Condock I Settlement, the enactment of Chapter 926, Statutes of 1979, Order No. 4903 of the Board of Harbor Commissioners, Ordinance No. 153520 of the City, and a Waiver and Release executed by the State (recorded on March 31, 1980 as instrument no. 80-325188 by the County Recorder of Los Angeles County), the City acquired from Union Pacific Land Resources Corporation and Champlin Petroleum Company title to the surface estate in approximately 80 acres lying north of the Consolidated Channel plus 5.25 acres lying south of the Consolidated Channel with Union Pacific Land Resources Corporation and Champlin Petroleum Company reserving and retaining the underlying mineral interests, certain precisely defined surface entry and use rights to serve continuing oil operations, and, most importantly to this Agreement, a permanent surface and subsurface corridor for pipelines and utilities that served Union Pacific's Champlin refinery.
8. This transaction was accomplished by means of the *Conveyance by Union Pacific Land Resources Corporation and Champlin Petroleum Company to City of Los Angeles and State of California*, which was recorded on March 31, 1980 as instrument no. 80-325185 by the County Recorder of Los Angeles County and which is referred to hereinafter as the "Condock Conveyance." The permanent pipeline and utility corridor is reserved by Union Pacific Land Resources Corporation and Champlin Petroleum Company in section F of Article 1.1 of the Condock Conveyance and more particularly described in Annex VIII to the Condock Conveyance.
9. In about 1987 Champlin Petroleum Company changed its name to Union Pacific Resources Company.
10. In 1988, Union Pacific Resources Company assigned a portion of its rights in the permanent pipeline and utility corridor to Beacon Oil Company, a Nevada Corporation, that portion being the non-exclusive right to operate, maintain, repair and replace seven particularly described subsurface pipelines. The Non-Exclusive Assignment of Easement was recorded on December 22, 1988 as instrument no. 88-2049989 by the County Recorder of Los Angeles County.
11. In 1989, Beacon Oil Company changed its name to Ultramar Inc. ("Ultramar") as evidenced by a Certificate of Amendment of Articles of Incorporation filed with the Nevada Secretary of State on September 18, 1989.
12. In 2008, Ultramar sold a portion of a 4-inch hydrogen transmission line to Air Products and Chemicals Inc., a Delaware Corporation, and, in conjunction with said sale, assigned a portion of the permanent pipeline and utility corridor, that portion being the area occupied by the 4-inch subsurface pipeline known as CG 904 or C904. The Bill of Sale and Partial Assignment was recorded on February 26, 2008 as instrument no. 20080331363 by the County Recorder of Los Angeles County.
13. The City of Long Beach, who is the successor in interest of Union Pacific Land Resources Company and Union Pacific Resources Company, conveyed to Ultramar a quitclaim deed for all of its rights, title and interest in pipelines and utility corridor set forth in Article 1.1F of

the Condock Conveyance which was recorded on June 17, 2011 in the Los Angeles County Recorder's Office as document no. 20110826787.

14. The City now desires to construct a rail yard in the vicinity of Berth 200 in the Port of Los Angeles a portion of which area is burdened by Ultramar's and Air Products' respective remaining interests in the permanent pipeline and utility corridor as described in paragraphs 7 and 12 above and referred to in this Agreement as the Pipeline and Utility Rights Public Trust Easement.
15. As part of this agreement, Ultramar will convey to State its interest in the Pipeline and Utility Rights Public Trust Easement. The State will accept the Pipeline and Utility Rights Public Trust Easement as sovereign land, subject to the public trust, and will then convey its interest in the Pipeline and Utility Rights Public Trust Easement to the City, in trust. In exchange, the City will immediately thereafter convey certain rights and interests in the Trust Termination Easement to the State, and the State will then quitclaim the rights and interests obtained from the City in the Trust Termination Easement to Ultramar, free of any sovereign interest, in order to replace the rights quitclaimed by Ultramar, without otherwise affecting the respective rights and obligations of Ultramar and City as originally reserved in the Condock Conveyance and partially assigned to Beacon by Union Pacific Resources Company.
16. The exchange authorized by this Agreement will not result in any interference with the uses and purposes of the trust and will substantially benefit the public trust through the construction of a new rail switching yard which will make room for the development of the TraPac container terminal on-dock rail facility which will increase the terminal's capacity while reducing truck trips and generate substantial public trust revenues for the Port and the people of the State of California.
17. Pursuant to Chapter 651, Statutes of 1929, as amended, by Chapter 926, Statutes of 1979, an exchange is not effective unless and until the State finds that the lands to be acquired by the City are of equal or greater value than the lands for which they are to be exchanged and the State approves the exchange.
18. The exchange will terminate any trust interest in the Trust Termination Easement. The land underlying the Trust Termination Easement has been filled and reclaimed, is cut off from water access and is no longer needed for trust purposes. The land underlying the Trust Termination Easement constitutes a relatively small portion of the filled and unfilled tidelands within the City that have been granted to the City.
19. The Parties have conducted independent studies and evaluations of the monetary value of the property interests that are the subject of this Agreement. The State's independent evaluation of the monetary value of property interests that are the subject of this Agreement has shown that the monetary value of the Pipeline and Utility Rights Public Trust Easement is equal to or greater than the value of the Trust Termination Easement.

20. The City, acting by and through its Board of Harbor Commissioners, certified the Environmental Impact Report for the “Berth 136-147 (TraPac) Container Terminal Project on December 6, 2007.” The Project, which includes construction of the rail yard in the vicinity of Berth 200, is assigned State Clearinghouse No. 2003104005.
21. The City, acting by and through its Board of Harbor Commissioners, at its meeting of _____, 2011 approved this Agreement.
22. The State by approval of minute item # C115, at its meeting of June 23, 2011, approved this Agreement.
23. The Parties consider it expedient, necessary and in the best interests of the State of California, the City, Ultramar, and the public to enter into this Agreement.

BASED ON THE FOREGOING RECITALS, the Parties have reached the following Agreement:

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements herein, and for other consideration the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

1. QUITCLAIM OF EXISTING PIPELINE EASEMENT AND GRANT OF NEW PIPELINE EASEMENT

A. Pipeline and Utility Rights Public Trust Easement

- i. Ultramar agrees to remise, release and forever quitclaim to the State its entire interest in the Pipeline and Utility Rights Public Trust Easement by means of the conveyance substantially in the form of Exhibit D (“Form of Ultramar Quitclaim Deed”).
- ii. State agrees to accept Ultramar’s quitclaim deed for the Pipeline and Utility Rights Public Trust Easement as having the legal character of tide and submerged lands substantially in the form of Exhibit E (“Form of State Certificate of Acceptance for Pipeline and Utility Rights Public Trust Easement”).
- iii. State agrees to remise, release and forever quitclaim, in trust, to the City all its right, title and interest in Pipeline and Utility Rights Public Trust Easement by means of the conveyance substantially in the form of Exhibit F (“Form of State Pipeline and Utility Rights Public Trust Easement Quitclaim Deed”).

B. Trust Termination Easement

- i. City agrees to grant to the State the Trust Termination Easement to operate, maintain, repair and replace six subsurface pipelines by means of the conveyance substantially in the form of the attached Exhibit G (“Form of City Deed”). The City retains the right to undisturbed use and occupancy of the property insofar as such use and occupancy are consistent with and do not impair any grant or covenant contained in this agreement. Ultramar shall have and may exercise the right of ingress and egress in, to, over and through the property for any purpose needed for the full enjoyment of the right of occupancy provided herein.
 - ii. State agrees to accept City’s grant deed for the Trust Termination Easement substantially in the form of Exhibit H (“Form of State Certificate of Acceptance of Trust Termination Easement”)
 - iii. State agrees to remise, release and forever quitclaim to Ultramar its entire interest in the Trust Termination Easement to operate, maintain, repair and replace six subsurface pipelines by means of the conveyance substantially in the form of the attached Exhibit I (“Form of State Trust Termination Easement Quitclaim Deed”). Ultramar shall have and may exercise the right of ingress and egress in, to, over and through the property for any purpose needed for the full enjoyment of the right of occupancy provided herein.
- C. Ultramar acknowledges that City intends to build a rail switching yard on the property that is subject to the Trust Termination Easement and that railroad tracks will be laid above certain sections of the pipelines. City agrees that it shall be responsible, at its sole expense, for removing and replacing any surface facilities or structures, including but not limited to rails, ties, ballast and sub-ballast, that interfere with Ultramar’s right of ingress and egress, and that Ultramar shall not be liable for any lost profits or business interruption caused by such removals, provided Ultramar is reasonable in exercising its rights.

2. RELOCATION OF PIPELINES

In consideration of Ultramar’s agreement to quitclaim its existing interest in the Pipeline and Utility Rights Public Trust Easement and to accept the grant of the Trust Termination Easement, the City agrees to perform the following services in connection with the relocation of Ultramar’s pipelines at the City’s sole expense:

A. Planning and Engineering

City will perform the necessary engineering and prepare detailed construction plans and specifications that comply with both Ultramar and industry standards as well as all applicable regulatory requirements. City will be solely responsible for the engineering success of the relocated pipelines and to the extent service to or from Ultramar’s or Air Products’ pipelines is interrupted due any deficiencies from the operation of the railyard or engineering, City will act expeditiously as time will be of the essence in correcting any

problem where the pipelines cannot be used for their intended purpose as a result of the Railyard Project. All new installation shall be compatible with Ultramar's and / or Air Products' current methods employed for pipeline protection such as cathodic protection or any other law or regulation governing the operation of these pipelines.

B. Construction

The City will undertake the relocation of existing pipelines that are impacted by the new rail yard by installing new pipe and abandoning old sections of pipe as follows:

- i. Relocate portion of 6" C-816 pipeline (Install approximately 1210' of underground, 6" welded steel pipe with coating).
- ii. Relocate portion of 6" C-948 pipeline (Install approximately 1165' of underground, 6" welded steel pipe with coating).
- iii. Relocate portion of 6" C-929 pipeline (Install approximately 1170' of underground, 6" welded steel pipe with coating).
- iv. Relocate portion of 6" C-902 pipeline (Install approximately 830' of underground, 6" welded steel pipe with coating).
- v. Relocate portion of 4" C-903 pipeline (Install approximately 825' of underground, 4" welded steel pipe with coating).
- vi. Relocate portion of 12" C-941 pipeline (Install approximately 1160' of underground, 12" welded steel pipe with coating). Abandonment of bypassed line segments (approximately 2300' of 6' pipe, 850' of 8" pipe, 850' of 12" pipe, and 500' of 4" pipe) and unused pipelines by means of draining, purging, cleaning and installing approved grout.
- vii. Install approximately 1000' of split casing pipe or concrete protective cap in existing pipe locations affected by new trackage.

- C.** The work also includes incidental related pipeline construction work such as installing pipe coatings, cathodic protection systems, pipeline markers, and pipe supports. All work related to the relocation, replacement and/or reinforcement of these pipelines will be accomplished at the City's sole expense and the City's sole obligation for all engineering concepts, design, work or anything related to the relocation of the pipelines so that the pipelines will be in as good or better condition after their relocation as they were before their relocation. City agrees that it will work with Ultramar to schedule any interruption in access to the use of its pipelines and that any amount of time when the pipelines will not be available for use will be mutually agreed upon by Ultramar, Air Products and City and that City shall be responsible, at its sole expense, for the entire project including but limited to soil excavation, removal, fill and/or transportation, handling and cost of any contaminated soil, for removing and replacing any surface facilities or structures, including but not limited to rails, ties, ballast and sub-ballast, that interfere with

Ultramar's right of ingress and egress, and that Ultramar shall not be liable for any lost profits or business interruption caused by such removals, regardless of when the such removals occur, provided Ultramar is reasonable in exercising its rights.

D. Inspection

- i. City shall provide inspection and testing services during construction as required by Ultramar along with the preparation of documentation and record drawings required to meet permitting and regulatory requirements.

3. WAIVER OF NOTICE AND RELOCATION ASSISTANCE

- A.** Section 1245.235 of the California Code of Civil Procedure requires State and City to give each person whose property is to be acquired by eminent domain notice and a reasonable opportunity to appear before the relevant authority and be heard on the matters referred to in Section 1240.030 of the Code of Civil Procedure, which provides: "The power of eminent domain may be exercised to acquire property for a proposed project only if all of the following are established: (a) The public interest and necessity require the project. (b) The project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury. (c) The property sought to be acquired is necessary for the project.
- B.** Ultramar waives the notice and right to a hearing provided by Code of Civil Procedure Section 1245.235 and waives the right to an offer of compensation provided by Government Code section 7267.2 and waives the right to any relocation assistance under the California Relocation Assistance Act, Government Code section 7260 *et seq.* and the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. section 4601 *et seq.*

4. STATE LANDS COMMISSION FINDINGS

The Commission, by its approval and authorization of the execution of this Agreement, makes the following findings, effective upon recordation of this Agreement:

- A.** The land underlying the Trust Termination Easement has been improved, filled, and reclaimed, and has thereby been excluded from the public channels and is no longer available, useful or susceptible of being used for navigation, fishing or for other trust uses and purposes and is no longer in fact tidelands or submerged lands and any and all public trust interest or state sovereign title existing solely within the Trust Termination Easement will be terminated. The land underlying the Trust Termination Easement constitutes a relatively small portion of the filled and unfilled tidelands within the City that have been granted to the City.

- B. The exchange provided for in this Agreement is in the best interests of the State.
- C. The monetary value of the Pipeline and Utility Rights Public Trust Easement received by the State in trust pursuant to the exchange provided for in this Agreement is equal to or greater than that of the Trust Termination Easement given by the State in the exchange provided for in this Agreement.
- D. The Pipeline and Utility Rights Public Trust Easement to be conveyed to the State and subsequently conveyed to the City, in trust, pursuant to this Agreement is to be accepted as having the legal character of tide and submerged lands and to be held by the City for the benefit of the people of the State of California in perpetuity for public trust purposes, pursuant to the Granting Statutes.

5. **ADDITIONAL PROVISIONS**

- A. Procedures for Parcel Boundary Adjustments. Minor adjustments to the boundaries of the Pipeline and Utility Rights Public Trust Easement or the Trust Termination Easement (“Parcel Boundary Adjustment”), as those boundaries are depicted in the Exhibits to this Agreement, or as they may be described in deeds implementing this Agreement, may become necessary or desirable as more detailed site information is developed. A Parcel Boundary Adjustment shall proceed in accordance with the following procedures:
 - i. A Parcel Boundary Adjustment may not be sought without the consent of every Party to this Agreement.
 - ii. After obtaining the consent of each Party, the Party seeking the Parcel Boundary Adjustment shall request approval of the Parcel Boundary Adjustment from the Commission, which approval shall not be unreasonably delayed or withheld. The requesting Party shall provide the Commission with any maps, legal descriptions, surveys, or other information necessary to review the proposed Parcel Boundary Adjustment.
 - iii. Following Commission approval, the Parties and the Commission shall cooperate in the actions necessary to effectuate the Parcel Boundary Adjustment, including, as necessary, the preparation of legal descriptions, deeds, and revised exhibits to this Agreement, at the sole cost and expense of the Party requesting the Parcel Boundary Adjustment. Upon written approval by the Commission and the Parties of revised exhibits reflecting the Parcel Boundary Adjustment approved by the Commission pursuant to this Section 5.A., the revised exhibits shall be deemed to replace the relevant exhibits to this Agreement.

B. Acceptance of Conveyances and Consent to Recording.

By execution of this Agreement, the City, the State and Ultramar agree to accept the herein described conveyances of land and hereby consent to the recording of the

conveyances. To the extent any conveyance is not executed in the form approved herein or any portion of the AGREEMENT is not performed as described herein, the party not performing by the nonconforming conduct may opt, at its sole discretion, to terminate this AGREEMENT.

C. Further Assurances.

So long as authorized by applicable laws to do so, the City, the State and Ultramar will perform such other acts, and execute, acknowledge and deliver all further documents, conveyances and other instruments that may be necessary to effectuate fully the provisions of this Agreement.

D. Execution before a Notary Public.

All signatures of the parties to this Agreement and all deeds and other conveyances executed pursuant to this Agreement shall be acknowledged before a Notary Public and a certificate of acknowledgment shall be attached to allow the deeds and conveyances to be recorded in the Office of the Recorder of Los Angeles County, California. The Governor's signature shall be attested to by the Secretary of State.

E. Counterparts.

This Agreement may be executed in any number of counterparts and each executed counterpart shall have the same force and effect as an original and as if all of the parties to the aggregate counterparts had signed the same instrument.

F. Provisions to Indemnify and Hold State Harmless.

The City shall indemnify, defend and hold harmless the State, its officers, agencies, commissions, and employees from and against any and all claims that may arise from this Agreement or the lands involved in the exchange, including, without limitation, third party claims and claims by any governmental agency (other than the State, acting through the Commission) relating to the past, present or future presence of known or unknown hazardous materials located, or which may come to be located at, on, over, under, or flowing through the land underlying the Pipeline and Utility Rights Public Trust Easement or the Trust Termination Easement; provided, however, that the City's obligations in this paragraph shall not apply to any claims to the extent that Ultramar is solely responsible under the following paragraph.

Ultramar shall indemnify, defend and hold harmless the State, its officers, agencies, commissions, and employees from and against any and all claims that may arise from the actions of Ultramar or its agents, employees, contractors, sublessees or invitees with respect to this Agreement or the lands involved in the exchange, including, without limitation, third party claims and claims by any governmental agency (other than the State, acting through the Commission) relating to the past or present or future presence of known or unknown hazardous materials generated, brought onto, used, stored, emitted,

released or disposed of in or about the land underlying the Pipeline and Utility Rights Public Trust Easement or the Trust Termination Easement by Ultramar or its agents, employees, contractors, sublessees or invitees. The provisions in the paragraph shall not apply to City.

City shall indemnify, defend and hold harmless Ultramar and/or Air Products and their respective predecessors and/or successors and their respective affiliated companies from any claim, injury, damages breakage or other loss related to the relocation or relocating of the pipelines. This paragraph excludes damages for loss of profits and/or business interruption.

G. Impacts of Sea Level Rise.

Nothing in this Agreement obligates the City or State to protect or cause to be protected any privately held uplands, including, but not limited to, constructing or causing to be constructed any protective structures that benefit any privately held uplands. Nothing in this Agreement shall render the City or the State liable to the owners of upland properties within the subject Property for failure to provide protection against sea level rise.

H. No Admission or Effect if Agreement Not Made Effective.

In the event this Agreement does not become effective, nothing herein shall constitute, or be construed as, an admission by any party or evidence concerning the boundaries, physical character, or character of title to or interest in the property subject to this Agreement.

I. No Effect on Other Lands.

The provisions of this Agreement do not constitute, nor are they to be construed as, an admission by any party or evidence concerning the boundaries, physical character, or character of title to or interest in any lands outside the property subject to this Agreement.

Nothing in this Agreement shall be construed to terminate any public trust interest or state sovereign title in lands other than that existing solely within the Trust Termination Easement interest being conveyed to Ultramar.

J. Exemptions.

This Agreement and the conveyances provided herein are exempt from the Subdivision Map Act pursuant to Government Code Section 66412(e).

K. Binding Agreement.

All the terms, provisions, and conditions of this Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties to the Agreement.

L. Modification.

No modification, amendment, or alteration of this Agreement shall be valid unless in writing and signed by all of the parties to this Agreement.

M. No Effect on Other Government Jurisdiction.

This Agreement does not exempt the parties from the regulatory, environmental, land use or other jurisdiction of any federal, state, local, or other government entity.

N. Headings.

The title headings of the sections of this Agreement are inserted for convenience only and shall not be considered in construing this Agreement.

O. Allocation of Costs and Expenses.

The expenses and fees of escrow incurred by Escrow Agent, including those associated with recordation of this document and other documents necessary to effectuate this Agreement, shall be borne by the City.

P. Correction of Technical Errors.

If errors are made in this Agreement in a legal description or the reference to or within any exhibit with respect to a legal description, in the boundaries of any parcel in any map or drawing which is an exhibit, or in the typing of this Agreement or any of its exhibits, the Parties affected by the error by mutual agreement may correct such error by memorandum executed by them without the necessity of amendment of this Agreement.

Q. Effective Date.

This Agreement shall become effective when signed by all parties to the Agreement and approved by the Governor (the "Effective Date").

6. ESCROW

A. The parties designate and authorize Fidelity National Title Company to act as the Escrow Agent for all purposes of this Agreement. As part of the escrow, the Parties shall submit additional, mutually agreeable escrow instructions as may be necessary so that the obligations of the Parties for the Close of Escrow under this Agreement conform.

B. Deposits by the Parties:

i. The State shall deposit the following documents into escrow:

a. A certified copy of a Minute Item of a California State Lands Commission public hearing showing the Commission's approval of this Agreement and

- the Commission's authorization that the Agreement, Deeds and Certificates of Acceptance be executed on the State's behalf;
- b. This Agreement, duly and properly executed by the State;
 - c. A written approval by the Commission of the condition of title to the Pipeline and Utility Rights Public Trust Easement;
 - d. A quitclaim deed for the Pipeline and Utility Rights Public Trust Easement duly and properly executed by the State conveying the Pipeline and Utility Rights Public Trust Easement to City in the form of Exhibit F;
 - e. A quitclaim deed for the Trust Termination Easement duly and properly executed by the State conveying the Trust Termination Easement to Ultramar in the form of Exhibit I;
 - f. Certificates of Acceptance for the lands described in Exhibits B and C duly and properly executed by the State in the form of Exhibit E and H;
- ii. The City shall deposit the following documents into Escrow:
- a. A certified copy of an official action of the City authorizing the execution of this Agreement, relinquishing of interest in the Trust Termination Easement;
 - b. Duly and properly executed grant deed in the form of that set forth in Exhibit G attached hereto conveying the Trust Termination Easement to the State;
 - c. This Agreement, duly and properly executed by the City;
- iii. Ultramar shall deposit the following documents into escrow:
- a. Executed quitclaim deed conveying Ultramar's interests in the Pipeline and Utility Rights Public Trust Easement to the State in the form of Exhibit D;
 - b. This Agreement, duly and properly executed by Ultramar;

C. Notification of Intention to Close Escrow

- i. Upon receipt of all documents described in Paragraph B above, Escrow Agent shall notify the Parties of its intention to close escrow, to record the documents, along with any other necessary documents and shall set a date certain for such recordation and Closing.

D. Close of Escrow

- i. At 8:00 a.m., or as early as possible on the date chosen for Closing, the Escrow Agency shall perform the following acts in the order set forth:
 - a. Record the duly and properly executed copy of this Agreement;
 - b. Record, in the following sequence, the duly and properly executed Deeds (and other recordable documents), with Certificates of Acceptance attached referred to in paragraphs 1.A.ii and 1.B.ii;
 - a. Ultramar's Quitclaim Deed for Pipeline and Utility Rights Public Trust Easement
 - b. State's Quitclaim Deed for Pipeline and Utility Rights Public Trust Easement
 - c. City's Grant Deed for Trust Termination Easement
 - d. State's Quitclaim Deed for Trust Termination Easement
 - c. Deliver copies of all documents as may have been deposited with the Escrow Agent to such Parties as may request them.
- ii. The term "Close of Escrow" and "Closing" shall mean the date and time of recording of the Deeds and Leases.
- iii. When all the documents have been recorded, the Escrow Agent is authorized and directed to deliver copies of the Agreement to the Parties and original Deeds to the grantees thereof.

E. Termination of Escrow

- i. In the event of the termination of this Agreement, the City and Ultramar shall each compensate the Escrow Agent's fees for services it rendered and expenses incurred. Otherwise, City shall pay all escrow fees and charges.

7. EXHIBITS

A. The exhibits to this Agreement are as follows:

Exhibit A-1.....Map depiction of the Pipeline and Utility Rights Public Trust Easement

Exhibit A-2.....Map depiction of the Trust Termination Easement

Exhibit BLand description of the Pipeline and Utility Rights Public Trust Easement

Exhibit CLand description of Trust Termination Easement

Exhibit D.....Form of Deed for Ultramar’s quitclaim of interest in Pipeline and Utility Rights Public Trust Easement to State

Exhibit EForm of Certificate of Acceptance by State of Ultramar’s interest in Pipeline and Utility Rights Public Trust Easement to the State

Exhibit F.....Form of State Quitclaim Deed for State’s conveyance of interest in the Pipeline and Utility Rights Public Trust Easement to City

Exhibit GForm of City’s Grant Deed for Trust Termination Easement to State

Exhibit H.....Form of Certificate of Acceptance by State of City’s interest in the Trust Termination Easement

Exhibit IForm of State Quitclaim Deed for State’s conveyance of interest in the Trust Termination Easement

B. All preliminary recitals of and exhibits to this Agreement (Exhibits A through I), are hereby incorporated by reference within it.

8. NOTIFICATIONS

All notices to be given to any party hereto by another party hereto shall be in writing, addressed to such party at its address set forth below, and shall be deemed to have been given: a) when delivered in person to an officer of the other party or parties; or b) when delivered by Federal Express or other similar overnight delivery service; or c) when received by telephonic facsimile, if confirmed and followed within (1) business day by mailing the original. Any notice given in any other fashion shall be deemed to have been given when actually received by the addressee. Any party may change its address by giving written notice to all other parties. The addresses of the parties hereto are as follows:

STATE: California State Lands Commission
100 Howe Avenue, Suite 100 South
Sacramento, CA 95825-8202
c/o Executive Officer

Copy to: Attorney General's Office
110 West A Street, 11th Floor
San Diego, CA 92101
c/o , Hayley Peterson, Deputy Attorney General

CITY: Port of Los Angeles
425 S. Palos Verdes Street
San Pedro, CA 90731
c/o Executive Director

ULTRAMAR INC Valero Wilmington Refinery
2402 East Anaheim
Wilmington, CA 90744
Attn: General Manager

Copy to: Ultramar Inc.
Valero Companies
One Valero Way
San Antonio, TX 78249
Attn: HSE Counsel

APPROVED AS TO FORM:

KAMALA D. HARRIS
Attorney General of the State of California

By _____
Hayley Peterson
Deputy Attorney General
Attorneys for the California State Lands Commission

APPROVALS (Acknowledgements of Signatures to be Attached):

STATE OF CALIFORNIA
Acting by and through the
CALIFORNIA STATE LANDS COMMISSION

Date: _____

By _____

CURTIS L. FOSSUM
Executive Officer

CITY OF LOS ANGELES

Date: _____

By _____

Name _____

Title _____

APPROVED AS TO FORM:

By: _____
City Attorney

ULTRAMAR INC.

Date: _____

By _____

Name: Mark Phair

Title: Vice President and General Manager

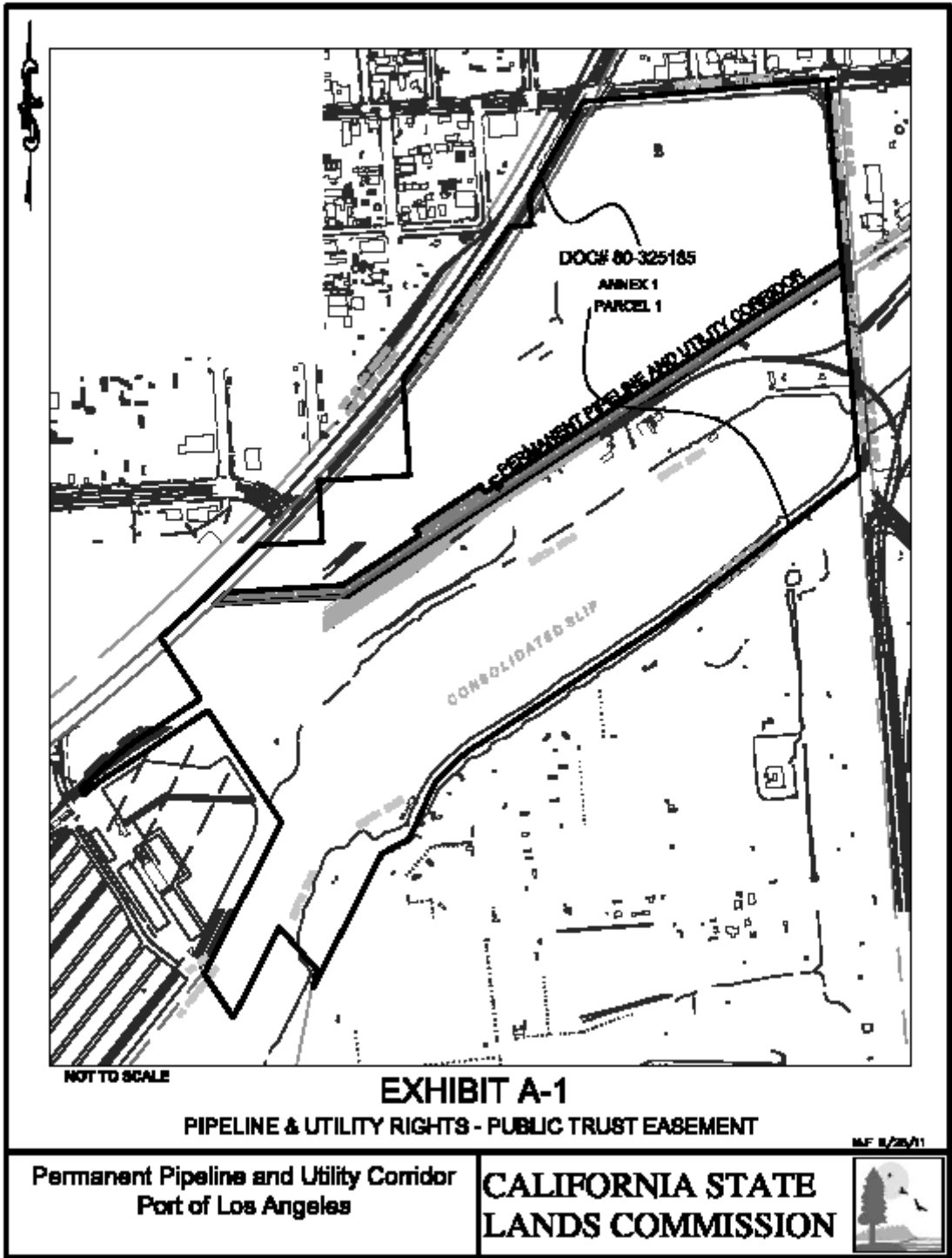
IN APPROVAL WHEREOF, I EDMUND G. BROWN, JR., Governor of the State of California have set my hand and caused the seal of the State of California to be hereunto affixed pursuant to Section 6107 of the Public Resources Code of the State of California. Given under my hand at the City of Sacramento this ___ day of _____, 2011.

EDMUND G. BROWN, JR.
Governor, State of California

Dated: _____

Attest:

DEBRA BOWEN, Secretary of State



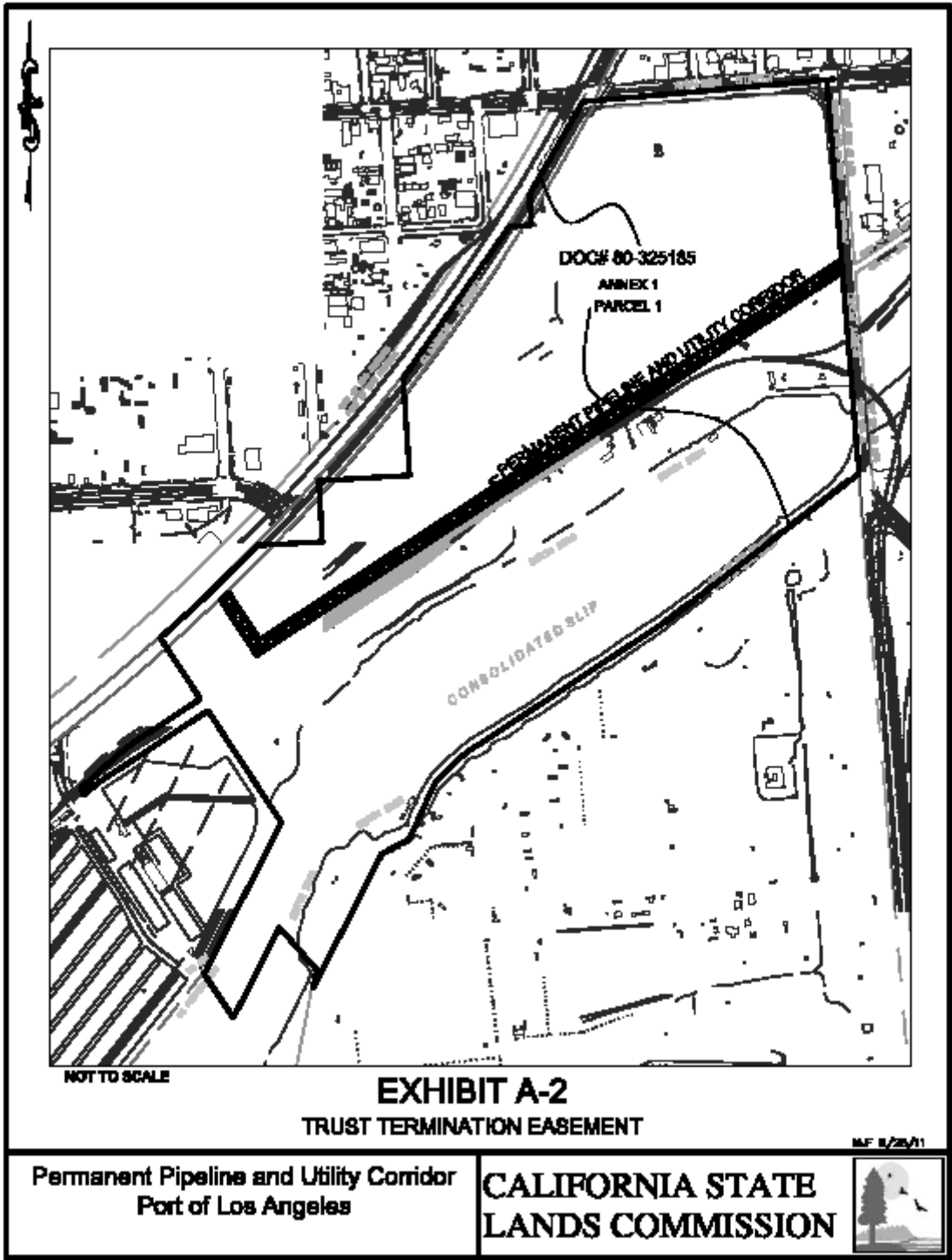


EXHIBIT B

AD 585

**LAND DESCRIPTION
PIPELINE AND UTILITY RIGHTS PUBLIC TRUST EASEMENT**

Those parcels of land in the Wilmington district situate in the City of Los Angeles, County of Los Angeles, State of California more particular described as follows:

Three (3) parcels of land described as Annex VIII, "Permanent Pipeline and Utility Rights" in that certain document entitled "Conveyance by Union Pacific Land Resources Corporation and Champlin Petroleum Company to City of Los Angeles and State of California" recorded March 31, 1980 in document 80-325185 Los Angeles County records.

END OF DESCRIPTION



**EXHIBIT C
LAND DESCRIPTION
TRUST TERMINATION EASEMENT**

[STILL UNDER REVISION]

EXHIBIT D
FORM OF ULTRAMAR QUITCLAIM DEED TO STATE

RECORDED AT THE REQUEST OF
AND WHEN RECORDED MAIL TO:

STATE OF CALIFORNIA
State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202
Attn: Legal Dept

STATE OF CALIFORNIA
OFFICIAL BUSINESS
Document entitled to free recordation
pursuant to Government Code Section 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

A.P.N.
S.L.C. *AD 585/G05-04*

ULTRAMAR INC.
QUITCLAIM DEED

WHEREAS, pursuant to Chapter 651, Statutes of 1929 as amended by Chapter 926, Statutes of 1979 the State of California, acting by and through the State Lands Commission (“State”), the City of Los Angeles, a municipal corporation, acting by and through its Board of Harbor Commissioners (the “City”), and Ultramar Inc. a Nevada company (“Ultramar”) have entered into a land exchange agreement with respect to certain lands in the Wilmington District of the Port of Los Angeles, Los Angeles County, State of California, the terms and conditions of which agreement are fully set forth in that certain agreement entitled the “Land Exchange Agreement to Relocate Pipeline Easement” recorded in the Official Records of the Los Angeles County, as Recorder’s Document No. _____ (the “Exchange Agreement”);

WHEREAS, the purpose of the Exchange Agreement is to relocate certain existing easements within the Berth 200 area.

WHEREAS, in 1980 the City, the State, and Union Pacific entered into a settlement which is commonly known as the “Condock I Settlement” to resolve a quiet title action over ownership of more than 225 acres of land in Wilmington District, Port of Los Angeles.

WHEREAS, Union Pacific reserved for itself a permanent pipeline and utility corridor easement in section F of Article 1.1 and more particularly described in Annex VIII in the “Conveyance by Union Pacific Land Resources Corporation and Champlin Petroleum Company to City of Los Angeles and State of California”, which was recorded on March 31, 1980 as

instrument no. 80-325185 by the County Recorder of Los Angeles County which is referred to in the Exchange Agreement as "Pipeline and Utility Rights Public Trust Easement."

WHEREAS, Ultramar was assigned a non-exclusive portion of the Pipeline and Utility Rights Public Trust Easement from Union Pacific more particularly described in the *Non-Exclusive Assignment of Easement by Union Pacific Resource Company to Beacon Oil Company*, recorded on December 22, 1988 as instrument no. 88-2049989 by the County Recorder of Los Angeles County.

WHEREAS, the City of Long Beach, as the successor in interest to Union Pacific, conveyed to Ultramar all its right title and interest in and to the Pipeline and Utility Rights Public Trust Easement which was recorded on June 17, 2011 as instrument no. 20110826787 by the County Recorder of Los Angeles County.

WHEREAS, pursuant to the Exchange Agreement, it is the intent of Ultramar to convey its entire interest, in and to, the Pipeline and Utility Rights Public Trust Easement more particularly described as that right to an easement appurtenant in the real property situated in the County of Los Angeles, State of California, as described in the attached Exhibit 1, together with all other rights-of-ways, easements, rights, privileges and appurtenances held or owned by or of Ultramar in the real property described in Exhibit 2, to the State.

WHEREAS, the State Lands Commission, at its public meeting in Sacramento, California on June 23, 2011, approved Minute Item No.115, which authorizes the Exchange Agreement and associated agreements and documents; and has consented to accepting the Quitclaim Deed.

NOW, THEREFORE,

ULTRAMAR INC. does hereby REMISE, RELEASE AND FOREVER QUITCLAIM to the State its entire interest in the Pipeline and Utility Rights Public Trust Easement, more particularly in described Exhibit 1, together with all other rights-of-ways, easements, rights, privileges and appurtenances held or owned by or of Ultramar in the real property described in Exhibit 2.

DATE: _____

ULTRAMAR INC.

By: _____

Mark Phair
General Manager and Vice President

EXHIBIT E
FORM OF CERTIFICATE OF ACCEPTANCE FOR ULTRAMAR DEED

RECORDED AT THE REQUEST OF
AND WHEN RECORDED MAIL TO:

STATE OF CALIFORNIA
State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202
Attn: Legal Division

STATE OF CALIFORNIA
OFFICIAL BUSINESS
Document entitled to free recordation
pursuant to Government Code Section 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

A.P.N.
S.L.C. *AD 585*

CERTIFICATE OF ACCEPTANCE AND CONSENT TO RECORDING
Government Code 27281

This is to certify that the STATE OF CALIFORNIA, acting by and through the CALIFORNIA STATE LANDS COMMISSION, an agency of the STATE OF CALIFORNIA, hereby accepts from the ULTRAMAR, INC. a Quitclaim Deed dated _____, 2011, of which a true and correct copy is attached hereto, of all of ULTRAMAR, INC.'S right, title and interest in real property described therein.

The STATE OF CALIFORNIA, acting by and through the CALIFORNIA STATE LANDS COMMISSION, an agency of the STATE OF CALIFORNIA, hereby consents to the recordation of this conveyance in the Office of the Recorder for the County of Los Angeles.

The said interests in real property are accepted by the STATE OF CALIFORNIA, in its sovereign capacity in trust for the people of the state, as real property of the legal character of tidelands and submerged lands.

[Remainder of page intentionally left blank]

This acceptance and consent to recording is executed by and on behalf of the STATE OF CALIFORNIA by the CALIFORNIA STATE LANDS COMMISSION, acting pursuant to law, as approved by Minute Item No. C 115 of its public meeting in Sacramento, California on June 23, 2011 by its duly authorized undersigned officer.

STATE OF CALIFORNIA

CALIFORNIA STATE LANDS COMMISSION

Dated: _____ By: _____

CURTIS FOSSUM
Executive Officer

EXHIBIT F
FORM OF STATE QUITCLAIM DEED TO CITY

RECORDED AT THE REQUEST OF
AND WHEN RECORDED MAIL TO:

STATE OF CALIFORNIA
State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202
Attn: Legal Dept

STATE OF CALIFORNIA
OFFICIAL BUSINESS
Document entitled to free recordation
pursuant to Government Code Section 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

A.P.N.
S.L.C. *AD 585/G05-04*

STATE OF CALIFORNIA
QUITCLAIM DEED

WHEREAS, pursuant to Chapter 651, Statutes of 1929 as amended by Chapter 926, Statutes of 1979 the State of California, acting by and through the State Lands Commission (“State”), the City of Los Angeles, a municipal corporation, acting by and through its Board of Harbor Commissioners (the “City”), and Ultramar, Inc. a Nevada company (“Ultramar”) have entered into a land exchange agreement with respect to certain lands in the Wilmington District of the Port of Los Angeles, Los Angeles County, State of California, the terms and conditions of which agreement are fully set forth in that certain agreement entitled the “Land Exchange Agreement to Relocate Pipeline Easement” recorded in the Official Records of the Los Angeles County, as Recorder’s Document No. _____ (the “Exchange Agreement”);

WHEREAS, the purpose of the Exchange Agreement is to relocate certain existing easements within the Berth 200 area.

WHEREAS, pursuant the Exchange Agreement, Ultramar has conveyed its entire interest by Quitclaim Deed, more particularly described in Exhibit 1 attached, in the permanent pipeline and utility corridor easement, which is referred to in the Exchange Agreement as the “Pipeline and Utility Rights Public Trust Easement,” to the State.

WHEREAS, the State has accepted the Pipeline and Utility Rights Public Trust Easement and impressed it with the public trust.

WHEREAS, pursuant to the Exchange Agreement, it is the intent of the State to convey any right, title and interest it acquired from Ultramar, in the Pipeline and Utility Rights Public Trust Easement, to the City in trust.

WHEREAS, the State Lands Commission, at its public meeting in Sacramento, California on June 23, 2011, approved Minute Item No.115, which authorizes the Exchange Agreement and associated agreements and documents.

NOW, THEREFORE,

The STATE of CALIFORNIA, acting by and through the STATE LANDS COMMISSION, does hereby REMISE, RELEASE AND FOREVER QUITCLAIM to the City, in trust, its entire interest in the Pipeline and Utility Rights Public Trust Easement as described in Exhibit 1 attached.

[Remainder of page intentionally left blank]

IN APPROVAL WHEREOF, I, EDMUND G. BROWN, JR., Governor of the State of California, have set my hand and caused the seal of the State of California to be hereunto affixed pursuant to Section 6107 of the Public Resources Code of the State of California. Given under my hand at the City of Sacramento this ____ day of _____, two thousand eleven.

EDMUND G. BROWN, JR.
Governor

Attest:

SECRETARY OF STATE

EXHIBIT G
FORM OF CITY GRANT DEED TO STATE

RECORDED AT THE REQUEST OF
AND WHEN RECORDED MAIL TO:

STATE OF CALIFORNIA
State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202
Attn: Legal Dept

STATE OF CALIFORNIA
OFFICIAL BUSINESS
Document entitled to free recordation
pursuant to Government Code Section 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

A.P.N.
S.L.C. *AD 585/G05-04*

GRANT DEED

WHEREAS, pursuant to Chapter 651, Statutes of 1929 as amended by Chapter 926, Statutes of 1979 the State of California, acting by and through the State Lands Commission (“State”), the City of Los Angeles, a municipal corporation, acting by and through its Board of Harbor Commissioners (the “City”), and Ultramar Inc. a Nevada company (“Ultramar”) have entered into a land exchange agreement with respect to certain lands in the Wilmington District of the Port of Los Angeles, Los Angeles County, State of California, the terms and conditions of which agreement are fully set forth in that certain agreement entitled the “Land Exchange Agreement to Relocate Pipeline Easement” recorded in the Official Records of the Los Angeles County, as Recorder’s Document No. _____ (the “Exchange Agreement”);

WHEREAS, the purpose of the Exchange Agreement is to relocate certain existing easements within the Berth 200 area.

WHEREAS, in 1980 the City, the State, and Union Pacific entered into a settlement which is commonly known as the “Condock I Settlement” to resolve a quiet title action over ownership of more than 225 acres of land in Wilmington District, Port of Los Angeles. Union Pacific reserved a permanent pipeline and utility corridor easement in section F of Article 1.1 and more particularly described in Annex VIII in the “Conveyance by Union Pacific Land Resources Corporation and Champlin Petroleum Company to City of Los Angeles and State of California”, which was recorded on March 31, 1980 as instrument no. 80-325185 by the County Recorder of Los Angeles County which is referred to hereinafter as the “Condock Conveyance.” A portion of the permanent pipeline and utility corridor easement was conveyed to Ultramar.

WHEREAS, through the Exchange Agreement, Ultramar will convey its entire interest in the permanent pipeline and utility corridor easement, which is referred to in the Exchange Agreement as the "Pipeline and Utility Rights Public Trust Easement," to the State which will then be conveyed to the City in trust.

WHEREAS, pursuant to the Exchange Agreement, it is the intent of City to grant to the State a permanent non-exclusive easement for purposes of constructing, maintaining, repairing, using and replacing six existing pipelines known as the C-816, C-948, C-929, C-902, C-903 and C-941 pipelines that certain real property more particularly described in the attached Exhibit 1, along with the rights of ingress and egress in, on, over, across and under said real property for the purpose of access to construct, maintain, assess and remediate contamination (as necessary), repair and replace said pipelines for so long as the easement areas are used for said purposes ("Trust Termination Easement").

WHEREAS, the State Lands Commission, at its public meeting in Sacramento, California on June 23, 2011, approved Minute Item No.115, which authorizes the Exchange Agreement and associated agreements and documents; and

NOW, THEREFORE,

The CITY OF LOS ANGELES, acting by and through its BOARD OF HARBOR COMMISSIONERS, hereby grants to the State a permanent non-exclusive easement for purposes of constructing, maintaining, repairing, using, and replacing six existing pipelines known as the C-816, C-948, C-929, C-902, C-903 and C-941 pipelines beneath the surface of that certain real property more particularly described in the attached Exhibit 1, along with the right of ingress and egress in, on, over, across and under said real property for the purpose of access to construct, maintain, assess and remediate contamination (as necessary), repair and replace said pipelines for so long as the easement areas are used for said purposes.

The City expressly reserves for itself, its successors and assigns, the right to use the easement areas, or to grant other easements or licenses at the same location so long as such use/uses does/do not unreasonably interfere with the rights herein granted. This Trust Termination Easement is subject to all liens, encumbrances, covenants, conditions, restrictions, reservations, contracts, leases and licenses, easements, and rights of way pertaining to the property, whether or not of record. The City may relocate the Trust Termination Easement if in the opinion of City it unreasonably interferes with the present or future use by City of City's land, however such relocation shall be at City's sole cost and expense.

Date _____

City of Los Angeles

EXHIBIT H
FORM OF CERTIFICATE OF ACCEPTANCE FOR CITY DEED

RECORDED AT THE REQUEST OF
AND WHEN RECORDED MAIL TO:

STATE OF CALIFORNIA
State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202
Attn: Legal Division

STATE OF CALIFORNIA
OFFICIAL BUSINESS
Document entitled to free recordation
pursuant to Government Code Section 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

A.P.N.
S.L.C. *AD 585*

CERTIFICATE OF ACCEPTANCE AND CONSENT TO RECORDING
Government Code 27281

This is to certify that the STATE OF CALIFORNIA, acting by and through the CALIFORNIA STATE LANDS COMMISSION, an agency of the STATE OF CALIFORNIA, hereby accepts from the CITY OF LOS ANGELES, acting by and through its BOARD OF HARBOR COMMISSIONERS a Grant Deed dated _____, 2011, of which a true and correct copy is attached hereto, of all the CITY OF LOS ANGELES' right, title and interest in real property described therein.

The STATE OF CALIFORNIA, acting by and through the CALIFORNIA STATE LANDS COMMISSION, an agency of the STATE OF CALIFORNIA, hereby consents to the recordation of this conveyance in the Office of the Recorder for the County of Los Angeles.

The said interests in real property are accepted by the STATE OF CALIFORNIA, acting by and through the CALIFORNIA STATE LANDS COMMISSION.

[Remainder of page intentionally left blank]

This acceptance and consent to recording is executed by and on behalf of the STATE OF CALIFORNIA by the CALIFORNIA STATE LANDS COMMISSION, acting pursuant to law, as approved by Minute Item No. C 115 of its public meeting in Sacramento, California on June 23, 2011 by its duly authorized undersigned officer.

STATE OF CALIFORNIA
CALIFORNIA STATE LANDS COMMISSION

Dated: _____ By: _____

CURTIS FOSSUM
Executive Officer

EXHIBIT I
FORM OF STATE DEED TO ULTRAMAR

RECORDED AT THE REQUEST OF
AND WHEN RECORDED MAIL TO:

STATE OF CALIFORNIA
State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202
Attn: Legal Dept

STATE OF CALIFORNIA
OFFICIAL BUSINESS
Document entitled to free recordation
pursuant to Government Code Section 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

A.P.N.
S.L.C. *AD 585/G05-04*

STATE OF CALIFORNIA
QUITCLAIM DEED

WHEREAS, pursuant to Chapter 651, Statutes of 1929 as amended by Chapter 926, Statutes of 1979 the State of California, acting by and through the State Lands Commission (“State”), the City of Los Angeles, a municipal corporation, acting by and through its Board of Harbor Commissioners (the “City”), and Ultramar Inc. a Nevada company (“Ultramar”) have entered into a land exchange agreement with respect to certain lands in the Wilmington District of the Port of Los Angeles, Los Angeles County, State of California, the terms and conditions of which agreement are fully set forth in that certain agreement entitled the “Land Exchange Agreement to Relocate Pipeline Easement” recorded in the Official Records of the Los Angeles County, as Recorder’s Document No. _____ (the “Exchange Agreement”);

WHEREAS, the purpose of the Exchange Agreement is to relocate certain existing easements within the Berth 200 area.

WHEREAS, in 1980 the City, the State, and Union Pacific (defined in the Exchange Agreement) entered into a settlement which is commonly known as the “Condock I Settlement” to resolve a quiet title action over ownership of more than 225 acres of land in Wilmington District, Port of Los Angeles. Union Pacific reserved a permanent pipeline and utility corridor easement in section F of Article 1.1 and more particularly described in Annex VIII in the “Conveyance by Union Pacific Land Resources Corporation and Champlin Petroleum Company to City of Los Angeles and State of California”, which was recorded on March 31, 1980 as instrument no. 80-325185 by the County Recorder of Los Angeles County which is referred to hereinafter as the “Condock Conveyance.” In about 1987 Champlin Petroleum Company

changed its name to Union Pacific Resources Company. In 1988, Union Pacific Resources Company assigned a portion of its rights in the permanent pipeline and utility corridor to Beacon Oil Company, a Nevada Corporation, that portion being the non-exclusive right to operate, maintain, repair and replace seven particularly described subsurface pipelines. The Non-Exclusive Assignment of Easement was recorded on December 22, 1988 as instrument no. 88-2049989 by the County Recorder of Los Angeles County. In 1989, Beacon Oil Company changed its name to Ultramar Inc. In 1994 Union Pacific Land Resources Company sold, among other things, its interest in Annex VIII to the City of Long Beach. By Document No. 20110826787 recorded on June 17, 2011, the City of Long Beach deeded its interest in the permanent pipeline and utility corridor easement described in Annex VIII to Ultramar.

WHEREAS, through the Exchange Agreement, Ultramar has conveyed its entire interest in the permanent pipeline and utility corridor easement, which is referred to in the Exchange Agreement as the "Pipeline and Utility Rights Public Trust Easement," to the State which has been conveyed to the City, in trust.

WHEREAS, pursuant to the Exchange Agreement, the City has granted to the State a permanent non-exclusive easement, referred to as the "Trust Termination Easement."

WHEREAS, pursuant to the Exchange Agreement, it is the intent of the State to convey any right, title and interest it has in the Trust Termination Easement, free of the public trust, to Ultramar, pursuant to the Grant Deed attached as Exhibit 1.

WHEREAS, the State does not intend to terminate any public trust interest or state sovereign title in lands other than that existing solely within the Trust Termination Easement being conveyed to Ultramar.

WHEREAS, the City has conveyed by the aforementioned Grant Deed to the State the Trust Termination Easement.

WHEREAS, the State Lands Commission, at its public meeting in Sacramento, California on June 23, 2011, approved Minute Item No. 115, which authorizes the Exchange Agreement, its exhibits and associated agreements and documents; and

WHEREAS, the State, acting by and through the Executive Officer of its State Lands Commission pursuant to Minute Item No. 115, has accepted the Grant Deed of the Port for the Easement.

NOW, THEREFORE,

The STATE of CALIFORNIA, acting by and through the STATE LANDS COMMISSION, does hereby REMISE, RELEASE AND FOREVER QUITCLAIM to Ultramar its interest in the Trust Termination Easement pursuant to the attached Exhibit 1, free of the public trust.

The State expressly reserves for themselves and the City, their successors and assigns, the right to use the easement areas, or to grant other easements or licenses at the same location so long as such use/uses does/do not unreasonably interfere with the rights herein granted. This Trust Termination Easement is subject to all liens, encumbrances, covenants, conditions, restrictions, reservations, contracts, leases and licenses, easements, and rights of way pertaining to the property, whether or not of record. The State or the City may relocate the Trust Termination Easement if in the opinion of City it unreasonably interferes with the present or future use by City of City's land, however such relocation shall be at City's sole cost and expense.

[Remainder of page intentionally left blank]

IN APPROVAL WHEREOF, I, EDMUND G. BROWN, JR., Governor of the State of California, have set my hand and caused the seal of the State of California to be hereunto affixed pursuant to Section 6107 of the Public Resources Code of the State of California. Given under my hand at the City of Sacramento this ____ day of _____, two thousand eleven.

EDMUND G. BROWN, JR.
Governor

Attest:

SECRETARY OF STATE

Recorded at the request of:
STATE OF CALIFORNIA
CALIFORNIA STATE LANDS COMMISSION

WHEN RECORDED mail to:
California State Lands Commission
100 Howe Avenue, Suite 100 - South
Sacramento, CA 95825-8202
Attn: Legal
(916) 574-1850 / fax 1855 / kathryn.colson@slc.ca.gov
STATE OF CALIFORNIA - OFFICIAL BUSINESS

Document entitled to free recordation
pursuant to Government Code Section 27383

NO DOCUMENTARY TRANSFER TAX DUE
REVENUE AND TAXATION CODE SECTION 11922

C.S.L.C. – AD585/G05-04/W26479

Above Space for Recorder's Use

Los Angeles County APN #s:

LAND EXCHANGE AGREEMENT TO RELOCATE PIPELINE EASEMENT

This AGREEMENT is made and entered into by and between the STATE OF CALIFORNIA acting by and through the State Lands Commission, the CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Harbor Commissioners, with offices located at 425 S. Palos Verdes Street, San Pedro, California, 90731, and AIR PRODUCTS AND CHEMICALS, INC., a Delaware corporation, with offices located at 12600 Northborough Drive, Houston, Texas, 77067-3200 (hereinafter the “Parties”).

RECITALS

1. This Agreement concerns two easement interests in land located in the Wilmington District of the Port of Los Angeles, Los Angeles County which consist of:
 - a. Those remaining permanent pipeline and utility rights and interests held by Air Products and Chemicals, Inc. stemming from those interests granted in Article 1.1(F) of the Condock Conveyance and more particularly described in Annex VIII thereto, referred herein as “Pipeline and Utility Rights Public Trust Easement,” described in Exhibit B and depicted on Exhibit A-1.
 - b. An easement to operate, maintain, repair and replace one subsurface pipelines, referred herein as “Trust Termination Easement”, described in Exhibit C and depicted on Exhibit A-2.

07/01/2011 4:01 PM

1

TRANSMITTAL 9B

2. Upon its admission to the United States on September 9, 1850, the State of California, by virtue of its sovereignty, received in trust for the people of the California all right, title and interest in previously ungranted tidelands and submerged land within its boundaries for public trust uses, including but not limited to commerce, navigation, fisheries, water-oriented recreation, and other recognized public trust uses.
3. Pursuant to the provisions of Division 6 of the Public Resources Code, including sections 6216 and 6301, the State Lands Commission (“State” or “Commission”) is vested with all jurisdiction and authority as to the right, title and interest in all ungranted tidelands and submerged lands held by the State of California in trust for the benefit of all the people of the State. The Commission is also vested with all jurisdiction and authority as to the reversionary and residual interests of the State of California in public trust land legislatively granted in trust to local governments.
4. The City of Los Angeles (“City”) is trustee of certain tide and submerged lands within the City of Los Angeles granted to it by the Legislature by Chapter 656, Statutes of 1911, as amended by Chapter 115, Statutes of 1917, Chapter 768, Statutes of 1921; and Chapter 651, Statutes of 1929, as amended by Chapter 443, Statutes of 1951, Chapter 1046, Statutes of 1970, Chapter 926, Statutes of 1979, Chapter 923, Statutes of 1985, Chapter 1130, Statutes of 2002 (“Granting Statutes”). Pursuant to Chapter 651, Statutes of 1929, as amended by Chapter 926, Statutes of 1979, whenever it shall appear expedient to the City and in the best interests of the State for purposes set out in the Granting Statutes, and it appears no substantial interference with the trust uses and purposes will ensue, the City may exchange lands of equal or greater value located within the Wilmington District effective upon Commission approval and findings of equal or greater value.
5. In 1969, the City filed a quiet title action to resolve disputes over ownership of more than 225 acres of land in the Wilmington District of the City lying West of Henry Ford Avenue in the general vicinity of the Consolidated Channel. The action was captioned *City of Los Angeles v. Los Angeles & Salt Lake Railroad Co. et al.* and was assigned Los Angeles Superior Court Case number 961846. In the action, the City alleged that the subject property consisted of tide or submerged land when California was admitted to the Union and was thus owned by the City as trustee of the State of California. Union Pacific Corporation’s subsidiaries, Union Pacific Land Resources Corporation and Champlin Petroleum Company, which had used the property for oil field operations and other purposes for more than forty years, traced their claim of title back to a Spanish land grant.
6. In 1980, the quiet title action was resolved in a settlement between Union Pacific Land Resources Corporation, Champlin Petroleum Company, the City, and the State of California, which settlement is commonly known as the “Condock I Settlement” and which was recorded on March 31, 1980 as instrument no. 80-325180 by the County Recorder of Los Angeles County.
7. Pursuant to the terms of the Condock I Settlement, the enactment of Chapter 926, Statutes of 1979, Order No. 4903 of the Board of Harbor Commissioners, Ordinance No. 153520 of the City, and a Waiver and Release executed by the State (recorded on March 31, 1980 as

instrument no. 80-325188 by the County Recorder of Los Angeles County), the City acquired from Union Pacific Land Resources Corporation and Champlin Petroleum Company title to the surface estate in approximately 80 acres lying north of the Consolidated Channel plus 5.25 acres lying south of the Consolidated Channel with Union Pacific Land Resources Corporation and Champlin Petroleum Company reserving and retaining the underlying mineral interests, certain precisely defined surface entry and use rights to serve continuing oil operations, and, most importantly to this Agreement, a permanent surface and subsurface corridor for pipelines and utilities that served Union Pacific's Champlin refinery.

8. This transaction was accomplished by means of the *Conveyance by Union Pacific Land Resources Corporation and Champlin Petroleum Company to City of Los Angeles and State of California*, which was recorded on March 31, 1980 as instrument no. 80-325185 by the County Recorder of Los Angeles County and which is referred to hereinafter as the "Condock Conveyance." The permanent pipeline and utility corridor is reserved by Union Pacific Land Resources Company and Champlin Petroleum Company in section F of paragraph 1.1 of the Condock Conveyance and more particularly described in Annex VIII to the Condock Conveyance.
9. In about 1987, Champlin Petroleum Company changed its name to Union Pacific Resources Company.
10. In 1988, Union Pacific Resources Company assigned a portion of its rights in the permanent pipeline and utility corridor to Beacon Oil Company, a Nevada Corporation, that portion being the non-exclusive right to operate, maintain, repair and replace seven particularly described subsurface pipelines. The Non-Exclusive Assignment of Easement was recorded on December 22, 1988 as instrument no. 88-2049989 by the County Recorder of Los Angeles County.
11. In 1989, Beacon Oil Company changed its name to Ultramar Inc. ("Ultramar") as evidenced by a Certificate of Amendment of Articles of Incorporation filed with the Nevada Secretary of State on September 18, 1989.
12. In 2008, Ultramar Inc. sold a portion of a 4-inch hydrogen transmission line to Air Products and Chemicals Inc. ("Air Products"), a Delaware Corporation, and, in conjunction with said sale, assigned a portion of the permanent pipeline and utility corridor, that portion being the area occupied by the 4-inch subsurface pipeline known as CG 904 or C904. The Bill of Sale and Partial Assignment was recorded on February 26, 2008 as instrument no. 20080331363 by the County Recorder of Los Angeles County.
13. The City now desires to construct a rail yard in the vicinity of Berth 200 in the Port of Los Angeles a portion of which area is burdened by Ultramar's and Air Products' respective remaining interests in the permanent pipeline and utility corridor as described in paragraphs 7 and 12 above and referred to in this Agreement as the Pipeline and Utility Rights Public Trust Easement.

14. As part of this agreement, Air Products will convey to State its interest in the Pipeline and Utility Rights Public Trust Easement. The State will accept the Pipeline and Utility Rights Public Trust Easement as sovereign land, subject to the public trust, and will then convey its interest in the Pipeline and Utility Rights Public Trust Easement to the City, in trust. In exchange, the City will immediately thereafter convey certain rights and interests in the Trust Termination Easement to the State, and the State will then quitclaim the rights and interests obtained from the City in the Trust Termination Easement to Air Products, free of any sovereign interest, in order to replace the rights quitclaimed by Air Products, without otherwise affecting the respective rights and obligations of Air Products and City as originally reserved in the Condoek Conveyance and partially assigned to Beacon by Union Pacific Resources Company.
15. The exchange authorized by this Agreement will not result in any interference with the uses and purposes of the trust and will substantially benefit the public trust through the construction of a new rail switching yard which make room for the development of the TraPac container terminal on-dock rail facility which will increase the terminal's capacity while reducing truck trips and generate substantial public trust revenues for the Port and the people of the State of California.
16. Pursuant to Chapter 651, Statutes of 1929, as amended, by Chapter 926, Statutes of 1979 an exchange is not effective unless and until the State finds that the lands to be acquired by the City are of equal or greater value than the lands for which they are to be exchanged and the State approves the exchange.
17. The exchange will terminate any trust interest in the Trust Termination Easement. The land underlying the Trust Termination Easement has been filled and reclaimed, is cut off from water access and is no longer needed for trust purposes. The land underlying the Trust Termination Easement constitutes a relatively small portion of the filled and unfilled tidelands within the City that have been granted to the City.
18. The Parties have conducted independent studies and evaluations of the monetary value of the property interests that are the subject of this Agreement. The State's independent evaluation of the monetary value of property interests that are the subject of this Agreement has shown that the monetary value of the Pipeline and Utility Rights Public Trust Easement is equal to or greater than the value of the Trust Termination Easement.
19. The City, acting by and through its Board of Harbor Commissioners, certified the Environmental Impact Report for the "Berth 136-147 (TraPac)_Container Terminal Project on December 6, 2007." The Project, which includes construction of the rail yard in the vicinity of Berth 200, is assigned State Clearing House No. 2003104005.
20. The City, acting by and through its Board of Harbor Commissioner, at its meeting of _____, 2011 approved this Agreement.
21. The State by approval of minute item # C115, at its meeting of June 23, 2011, approved this Agreement.

22. The Parties consider it expedient, necessary and in the best interests of the State of California, the City, Air Products, and the public to enter into this Agreement.

BASED ON THE FOREGOING RECITALS, the Parties have reached the following Agreement:

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements herein, and for other consideration the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

1. QUITCLAIM OF EXISTING PIPELINE EASEMENT AND GRANT OF NEW PIPELINE EASEMENT

A. Pipeline and Utility Rights Public Trust Easement

- i. Air Products agrees to remise, release and forever quitclaim to the State its entire interest in the Pipeline and Utility Rights Public Trust Easement by means of the conveyance substantially in the form of Exhibit D (“Form of Air Products Quitclaim Deed”).
- ii. State agrees to accept Air Products’ quitclaim deed for the Pipeline and Utility Rights Public Trust Easement as having the legal character of tide and submerged lands substantially in the form of Exhibit E (“Form of State Certificate of Acceptance for Pipeline and Utility Rights Public Trust Easement”).
- iii. State agrees to remise, release and forever quitclaim, in trust, to the City all its right, title and interest in Pipeline and Utility Rights Public Trust Easement by means of the conveyance substantially in the form of Exhibit F (“Form of State Pipeline and Utility Rights Public Trust Easement Quitclaim Deed”).

B. Trust Termination Easement

- i. City agrees to grant to the State the Trust Termination Easement to operate, maintain, repair and replace one subsurface pipeline by means of the conveyance substantially in the form of attached as Exhibit G (“Form of City Deed”). The City retains the right to undisturbed use and occupancy of the property insofar as such use and occupancy are consistent with and do not impair any grant or covenant contained in this agreement. Air Products shall have and may exercise the right of ingress and egress in, to, over and through the property for any purpose needed for the full enjoyment of the right of occupancy provided herein.

- ii. State agrees to accept City's grant deed for the Trust Termination Easement substantially in the form of Exhibit H ("Form of State Certificate of Acceptance of Trust Termination Easement")
 - iii. State agrees to remise, release and forever quitclaim to Air Products its entire interest in the Trust Termination Easement to operate, maintain, repair and replace one subsurface pipeline by means of the conveyance substantially in the form of attached as Exhibit I ("Form of State Trust Termination Easement Quitclaim Deed"). Air Products shall have and may exercise the right of ingress and egress in, to, over and through the property for any purpose needed for the full enjoyment of the right of occupancy provided herein.
- C. Air Products acknowledges that City intends to build a rail switching yard on the property that is subject to the Trust Termination Easement and that railroad tracks will be laid above certain sections of the pipelines. City agrees that it shall be responsible, at its sole expense, for removing and replacing any surface facilities or structures, including but not limited to rails, ties, ballast and sub-ballast, that interfere with Air Products' right of ingress and egress, and that Air Products shall not be liable for any lost profits or business interruption caused by such removals, provided Air Products is reasonable in exercising its rights.

2. RELOCATION OF PIPELINES

In consideration of Air Products's agreement to quitclaim its existing interest in the Pipeline and Utility Rights Public Trust Easement and to accept the grant of the Trust Termination Easement, the City agrees to perform the following services in connection with the relocation of Air Products' pipelines at the City's sole expense:

A. Planning and Engineering

City will perform the necessary engineering and prepare detailed construction plans and specifications that comply with both Air Products and industry standards as well as all applicable regulatory requirements. City will be solely responsible for the engineering success of the relocated pipelines and to the extent service to or from Ultramar's or Air Products' pipelines is interrupted due any deficiencies from the operation of the railyard or engineering, City will act expeditiously as time will be of the essence in correcting any problem where the pipelines cannot be used for their intended purpose as a result of the Railyard Project. All new installation shall be compatible with Ultramar's and / or Air Products' current methods employed for pipeline protection such as cathodic protection or any other law or regulation governing the operation of these pipelines.

B. Construction

The City will undertake the relocation of existing pipelines that are impacted by the new rail yard by installing new pipe and abandoning old sections of pipe a follows:

- Relocate portion of 4” C-904 pipeline (Install approximately 900’ of underground, 4” welded heavy wall steel pipe with coating).
 - Abandonment of bypassed line segments (approximately 500’ of 4” pipe) and unused pipeline by means of draining, purging, cleaning and installing approved grout.
- C. The work also includes incidental related pipeline construction work such as installing pipe coatings, cathodic protection systems, pipeline markers, and pipe supports. All work related to the relocation, replacement and/or reinforcement of these pipelines will be accomplished at the City’s sole expense and the City’s sole obligation for all engineering concepts, design, work or anything related to the relocation of the pipelines so that the pipelines will be in as good or better condition after their relocation as they were before their relocation. City agrees that it will work with Air Products to schedule any interruption in access to the use of its pipelines and that any amount of time when the pipelines will not be available for use will be mutually agreed upon by Ultramar, Air Products and City and that City shall be responsible, at its sole expense, for the entire project including but limited to soil excavation, removal, fill and/or transportation, handling and cost of any contaminated soil, for removing and replacing any surface facilities or structures, including but not limited to rails, ties, ballast and sub-ballast, that interfere with Air Products’ right of ingress and egress, and that Air Products shall not be liable for any lost profits or business interruption caused by such removals, regardless of when the such removals occur, provided Air Products is reasonable in exercising its rights.
- D. Inspection
- i. City shall provide inspection and testing services during construction as required by Air Products along with the preparation of documentation and record drawings required to meet permitting and regulatory requirements.

3. WAIVER OF NOTICE AND RELOCATION ASSISTANCE

- A. Section 1245.235 of the California Code of Civil Procedure requires State and City to give each person whose property is to be acquired by eminent domain notice and a reasonable opportunity to appear before the relevant authority and be heard on the matters referred to in Section 1240.030 of the Code of Civil Procedure, which provides: “The power of eminent domain may be exercised to acquire property for a proposed project only if all of the following are established: (a) The public interest and necessity require the project. (b) The project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury. (c) The property sought to be acquired is necessary for the project.
- B. Air Products waives the notice and right to a hearing provided by Code of Civil Procedure Section 1245.235 and waives the right to an offer of compensation

provided by Government Code section 7267.2 and waives the right to any relocation assistance under the California Relocation Assistance Act, Government Code section 7260 *et seq.* and the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. section 4601 *et seq.*

4. STATE LANDS COMMISSION FINDINGS

The Commission, by its approval and authorization of the execution of this Agreement, makes the following findings, effective upon recordation of this Agreement:

- A.** The land underlying the Trust Termination Easement has been improved, filled, and reclaimed, and has thereby been excluded from the public channels and is no longer available, useful or susceptible of being used for navigation, fishing or for other trust uses and purposes and is no longer in fact tidelands or submerged lands and any and all public trust interest or state sovereign title existing solely within the Trust Termination Easement will be terminated. The land underlying the Trust Termination Easement constitutes a relatively small portion of the filled and unfilled tidelands within the City that have been granted to the City.
- B.** The exchange provided for in this Agreement is in the best interests of the State.
- C.** The monetary value of the Pipeline and Utility Rights Public Trust Easement received by the State in trust pursuant to the exchange provided for in this Agreement is equal to or greater than that of the Trust Termination Easement given by the State in the exchange provided for in this Agreement.
- D.** The Pipeline and Utility Rights Public Trust Easement to be conveyed to the State and subsequently conveyed to the City, in trust, pursuant to this Agreement is to be accepted as having the legal character of tide and submerged lands and to be held by the City for the benefit of the people of the State of California in perpetuity for public trust purposes, pursuant to the Granting Statutes.

5. ADDITIONAL PROVISIONS

- A.** Procedures for Parcel Boundary Adjustments. Minor adjustments to the boundaries of the Pipeline and Utility Rights Public Trust Easement or the Trust Termination Easement (“Parcel Boundary Adjustment”), as those boundaries are depicted in the Exhibits to this Agreement, or as they may be described in deeds implementing this Agreement, may become necessary or desirable as more detailed site information is developed. A Parcel Boundary Adjustment shall proceed in accordance with the following procedures:
 - i.** A Parcel Boundary Adjustment may not be sought without the consent of every Party to this Agreement.

- ii. After obtaining the consent of each Party, the Party seeking the Parcel Boundary Adjustment shall request approval of the Parcel Boundary Adjustment from the Commission, which approval shall not be unreasonably delayed or withheld. The requesting Party shall provide the Commission with any maps, legal descriptions, surveys, or other information necessary to review the proposed Parcel Boundary Adjustment.
- iii. Following Commission approval, the Parties and the Commission shall cooperate in the actions necessary to effectuate the Parcel Boundary Adjustment, including, as necessary, the preparation of legal descriptions, deeds, and revised exhibits to this Agreement, at the sole cost and expense of the Party requesting the Parcel Boundary Adjustment. Upon written approval by the Commission and the Parties of revised exhibits reflecting the Parcel Boundary Adjustment approved by the Commission pursuant to this Section 5.A., the revised exhibits shall be deemed to replace the relevant exhibits to this Agreement.

B. Acceptance of Conveyances and Consent to Recording.

By execution of this Agreement, the City, the State and Air Products agree to accept the herein described conveyances of land and hereby consent to the recording of the conveyances. To the extent any conveyance is not executed in the form approved herein or any portion of the AGREEMENT is not performed as described herein, the party not performing by the nonconforming conduct may opt, at its sole discretion, to terminate this AGREEMENT.

C. Further Assurances.

So long as authorized by applicable laws to do so, the City, the State and Air Products will perform such other acts, and execute, acknowledge and deliver all further documents, conveyances and other instruments that may be necessary to effectuate fully the provisions of this Agreement.

D. Execution before a Notary Public.

All signatures of the parties to this Agreement and all deeds and other conveyances executed pursuant to this Agreement shall be acknowledged before a Notary Public and a certificate of acknowledgment shall be attached to allow the deeds and conveyances to be recorded in the Office of the Recorder of Los Angeles County, California. The Governor's signature shall be attested to by the Secretary of State.

E. Counterparts.

This Agreement may be executed in any number of counterparts and each executed counterpart shall have the same force and effect as an original and as if all of the parties to the aggregate counterparts had signed the same instrument.

F. Provisions to Indemnify and Hold State Harmless.

The City shall indemnify, defend and hold harmless the State, its officers, agencies, commissions, and employees from and against any and all claims that may arise from this Agreement or the lands involved in the exchange, including, without limitation, third party claims and claims by any governmental agency (other than the State, acting through the Commission) relating to the past, present or future presence of known or unknown hazardous materials located, or which may come to be located at, on, over, under, or flowing through the land underlying the Pipeline and Utility Rights Public Trust Easement or the Trust Termination Easement; provided, however, that the City's obligations in this paragraph shall not apply to any claims to the extent that Air Products is solely responsible under the following paragraph.

Air Products shall indemnify, defend and hold harmless the State, its officers, agencies, commissions, and employees from and against any and all claims that may arise from the actions of Air Products or its agents, employees, contractors, sublessees or invitees with respect to this Agreement or the lands involved in the exchange, including, without limitation, third party claims and claims by any governmental agency (other than the State, acting through the Commission) relating to the past or present or future presence of known or unknown hazardous materials generated, brought onto, used, stored, emitted, released or disposed of in or about the land underlying the Pipeline and Utility Rights Public Trust Easement or the Trust Termination Easement by Air Products or its agents, employees, contractors, sublessees or invitees. The provisions in the paragraph shall not apply to City.

City shall indemnify, defend and hold harmless Ultramar and/or Air Products and their respective predecessors and/or successors and their respective affiliated companies from any claim, injury, damages breakage or other loss related to the relocation or relocating of the pipelines. This paragraph excludes damages for loss of profits and/or business interruption.

G. Impacts of Sea Level Rise.

Nothing in this Agreement obligates the City or State to protect or cause to be protected any privately held uplands, including, but not limited to, constructing or causing to be constructed any protective structures that benefit any privately held uplands. Nothing in this Agreement shall render the City or the State liable to the owners of upland properties within the subject Property for failure to provide protection against sea level rise.

H. No Admission or Effect if Agreement Not Made Effective.

In the event this Agreement does not become effective, nothing herein shall constitute, or be construed as, an admission by any party or evidence concerning the boundaries, physical character, or character of title to or interest in the property subject to this Agreement.

I. No Effect on Other Lands.

The provisions of this Agreement do not constitute, nor are they to be construed as, an admission by any party or evidence concerning the boundaries, physical character, or character of title to or interest in any lands outside the property subject to this Agreement.

Nothing in this Agreement shall be construed to terminate any public trust interest or state sovereign title in lands other than that existing solely within the Trust Termination Easement interest being conveyed to Air Products.

J. Exemptions.

This Agreement and the conveyances provided herein are exempt from the Subdivision Map Act pursuant to Government Code Section 66412(e).

K. Binding Agreement.

All the terms, provisions, and conditions of this Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties to the Agreement.

L. Modification.

No modification, amendment, or alteration of this Agreement shall be valid unless in writing and signed by all of the parties to this Agreement.

M. No Effect on Other Government Jurisdiction.

This Agreement does not exempt the parties from the regulatory, environmental, land use or other jurisdiction of any federal, state, local, or other government entity.

N. Headings.

The title headings of the sections of this Agreement are inserted for convenience only and shall not be considered in construing this Agreement.

O. Allocation of Costs and Expenses.

The expenses and fees of escrow incurred by Escrow Agent, including those associated with recordation of this document and other documents necessary to effectuate this Agreement, shall be borne by the City.

P. Correction of Technical Errors.

If errors are made in this Agreement in a legal description or the reference to or within any exhibit with respect to a legal description, in the boundaries of any parcel in any map or drawing which is an exhibit, or in the typing of this Agreement or any of its exhibits, the

Parties affected by the error by mutual agreement may correct such error by memorandum executed by them without the necessity of amendment of this Agreement.

Q. Effective Date.

This Agreement shall become effective when signed by all parties to the Agreement and approved by the Governor (the “Effective Date”).

6. ESCROW

A. The parties designate and authorize Fidelity National Title Company to act as the Escrow Agent for all purposes of this Agreement. As part of the escrow, the Parties shall submit additional, mutually agreeable escrow instructions as may be necessary so that the obligations of the Parties for the Close of Escrow under this Agreement conform.

B. Deposits by the Parties:

i. The State shall deposit the following documents into escrow:

- a. A certified copy of a Minute Item of a California State Lands Commission public hearing showing the Commission’s approval of this Agreement and the Commission’s authorization that the Agreement, Deeds and Certificates of Acceptance be executed on the State’s behalf;
- b. This Agreement, duly and properly executed by the State;
- c. A written approval by the Commission of the condition of title to the Pipeline and Utility Rights Public Trust Easement;
- d. A quitclaim deed for the Pipeline and Utility Rights Public Trust Easement duly and properly executed by the State conveying the Pipeline and Utility Rights Public Trust Easement to City in the form of Exhibit F;
- e. A quitclaim deed for the Trust Termination Easement duly and properly executed by the State conveying the Trust Termination Easement to Air Products in the form of Exhibit I;
- f. Certificates of Acceptance for the lands described in Exhibits B and C duly and properly executed by the State in the form of Exhibits E and H;

- ii. The City shall deposit the following documents into Escrow:
 - a. A certified copy of an official action of the City authorizing the execution of this Agreement, relinquishing of interest in the Trust Termination Easement;
 - b. Duly and properly executed grant deed in the form of that set forth in Exhibit G attached hereto conveying the Trust Termination Easement to the State;
 - c. This Agreement, duly and properly executed by the City;
- iii. Air Products shall deposit the following documents into escrow:
 - a. Executed quitclaim deed conveying Air Products' interests in the Pipeline and Utility Rights Public Trust Easement to the State in the form of Exhibit D;
 - b. This Agreement, duly and properly executed by Air Products;

C. Notification of Intention to Close Escrow

- i. Upon receipt of all documents described in Paragraph B above, Escrow Agent shall notify the Parties of its intention to close escrow, to record the documents, along with any other necessary documents and shall set a date certain for such recordation and Closing.

D. Close of Escrow

- i. At 8:00 a.m., or as early as possible on the date chosen for Closing, the Escrow Agency shall perform the following acts in the order set forth:
 - a. Record the duly and properly executed copy of this Agreement;
 - b. Record, in the following sequence, the duly and properly executed Deeds (and other recordable documents), with Certificates of Acceptance attached referred to in paragraphs 1.A.ii and 1.B.ii;
 - a. Air Products' Quitclaim Deed for Pipeline and Utility Rights Public Trust Easement
 - b. State's Quitclaim Deed for Pipeline and Utility Rights Public Trust Easement

- c. City’s Grant Deed for Trust Termination Easement
- d. State’s Quitclaim Deed for Trust Termination Easement

c. Deliver copies of all documents as may have been deposited with the Escrow Agent to such Parties as may request them.

ii. The term “Close of Escrow” and “Closing” shall mean the date and time of recording of the Deeds.

iii. When all the documents have been recorded, the Escrow Agent is authorized and directed to deliver copies of the Agreement to the Parties and original Deeds to the grantees thereof.

E. Termination of Escrow

i. In the event of the termination of this Agreement, the City and Air Products shall each compensate the Escrow Agent’s fees for services it rendered and expenses incurred. Otherwise, City shall pay all escrow fees and charges.

7. EXHIBITS

A. The exhibits to this Agreement are as follows:

Exhibit A-1.....Map depiction of the Pipeline and Utility Rights Public Trust Easement

Exhibit A-2.....Map depiction of the Trust Termination Easement

Exhibit BLand description of the Pipeline and Utility Rights Public Trust Easement

Exhibit CLand description of Trust Termination Easement

Exhibit D.....Form of Deed for Air Products’ quitclaim of interest in Pipeline and Utility Rights Public Trust Easement to State

Exhibit EForm of Certificate of Acceptance by State of Air Products’ interest in Pipeline and Utility Rights Public Trust Easement to the State

Exhibit F.....Form of State Quitclaim Deed for State’s conveyance of interest in the Pipeline and Utility Rights Public Trust Easement to City

Exhibit GForm of City’s Grant Deed for Trust Termination Easement to State

Exhibit H.....Form of Certificate of Acceptance by State of City's interest in the Trust Termination Easement

Exhibit IForm of State Quitclaim Deed for State's conveyance of interest in the Trust Termination Easement

- B. All preliminary recitals of and exhibits to this Agreement (Exhibits A through I), are hereby incorporated by reference within it.

8. NOTIFICATIONS

All notices to be given to any party hereto by another party hereto shall be in writing, addressed to such party at its address set forth below, and shall be deemed to have been given: a) when delivered in person to an officer of the other party or parties; or b) when delivered by Federal Express or other similar overnight delivery service; or c) when received by telephonic facsimile, if confirmed and followed within (1) business day by mailing the original. Any notice given in any other fashion shall be deemed to have been given when actually received by the addressee. Any party may change its address by giving written notice to all other parties. The addresses of the parties hereto are as follows:

STATE: California State Lands Commission
100 Howe Avenue, Suite 100 South
Sacramento, CA 95825-8202
c/o Executive Officer

Copy to: Attorney General's Office
110 West A Street, 11th Floor
San Diego, CA 92101
c/o Hayley Peterson, Deputy Attorney General

CITY: Port of Los Angeles
425 S. Palos Verdes Street
San Pedro, CA 90731
c/o Executive Director

AIR PRODUCTS AND CHEMICALS, INC.:

V

APPROVED AS TO FORM:

KAMALA D. HARRIS
Attorney General of the State of California

By _____
Hayley Peterson
Deputy Attorney General
Attorneys for the California State Lands Commission

APPROVALS (Acknowledgements of Signatures to be Attached):

STATE OF CALIFORNIA
Acting by and through the
CALIFORNIA STATE LANDS COMMISSION

Date: _____

By _____

CURTIS L. FOSSUM
Executive Officer

CITY OF LOS ANGELES

Date: _____

By _____

Name _____

Title _____

APPROVED AS TO FORM:

By: _____
City Attorney

AIR PRODUCTS AND CHEMICALS, INC..

Date: _____

By _____

Name:

Title:

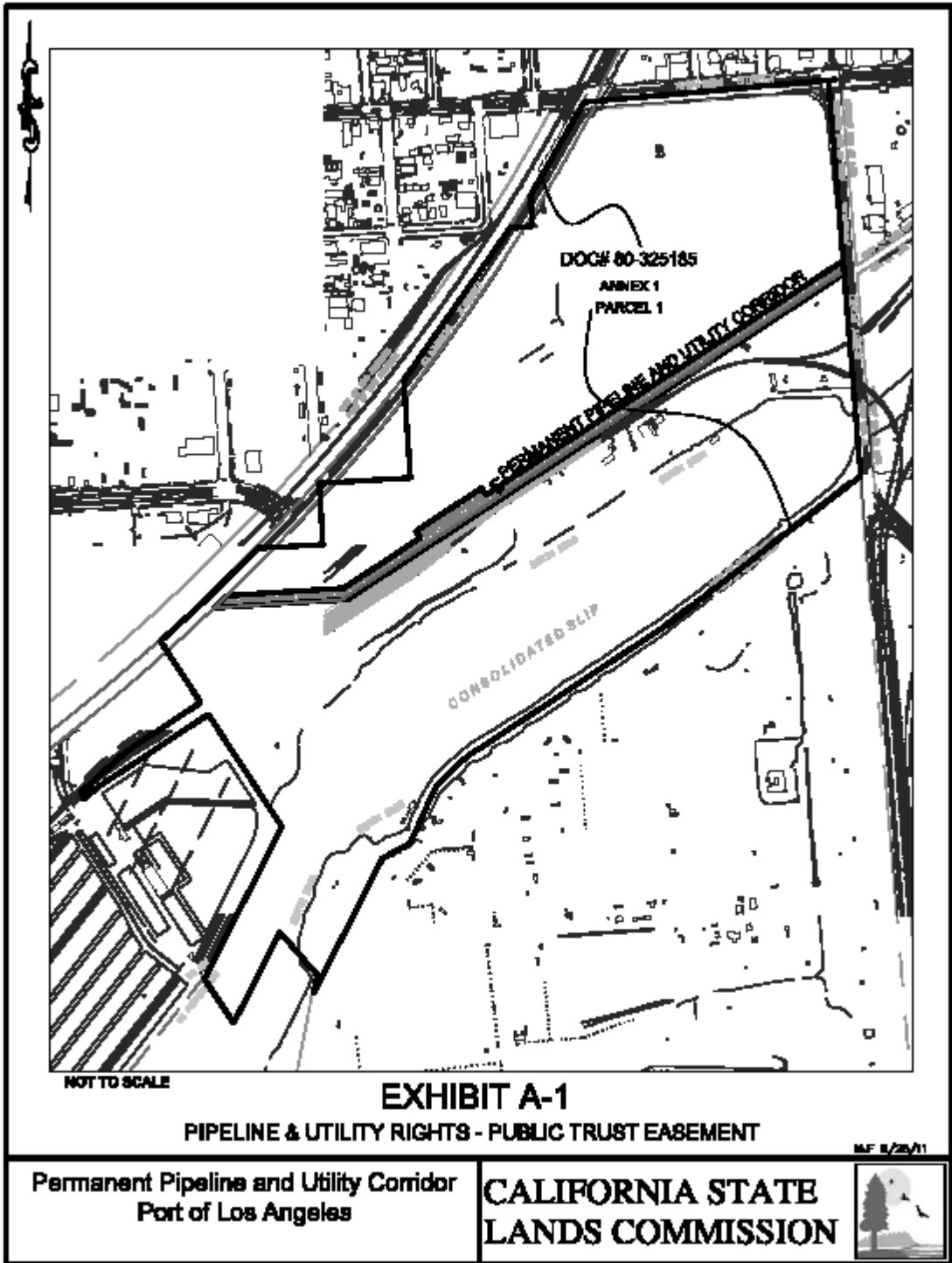
IN APPROVAL WHEREOF, I EDMUND G. BROWN, JR., Governor of the State of California have set my hand and caused the seal of the State of California to be hereunto affixed pursuant to Section 6107 of the Public Resources Code of the State of California. Given under my hand at the City of Sacramento this ____ day of _____, 2011.

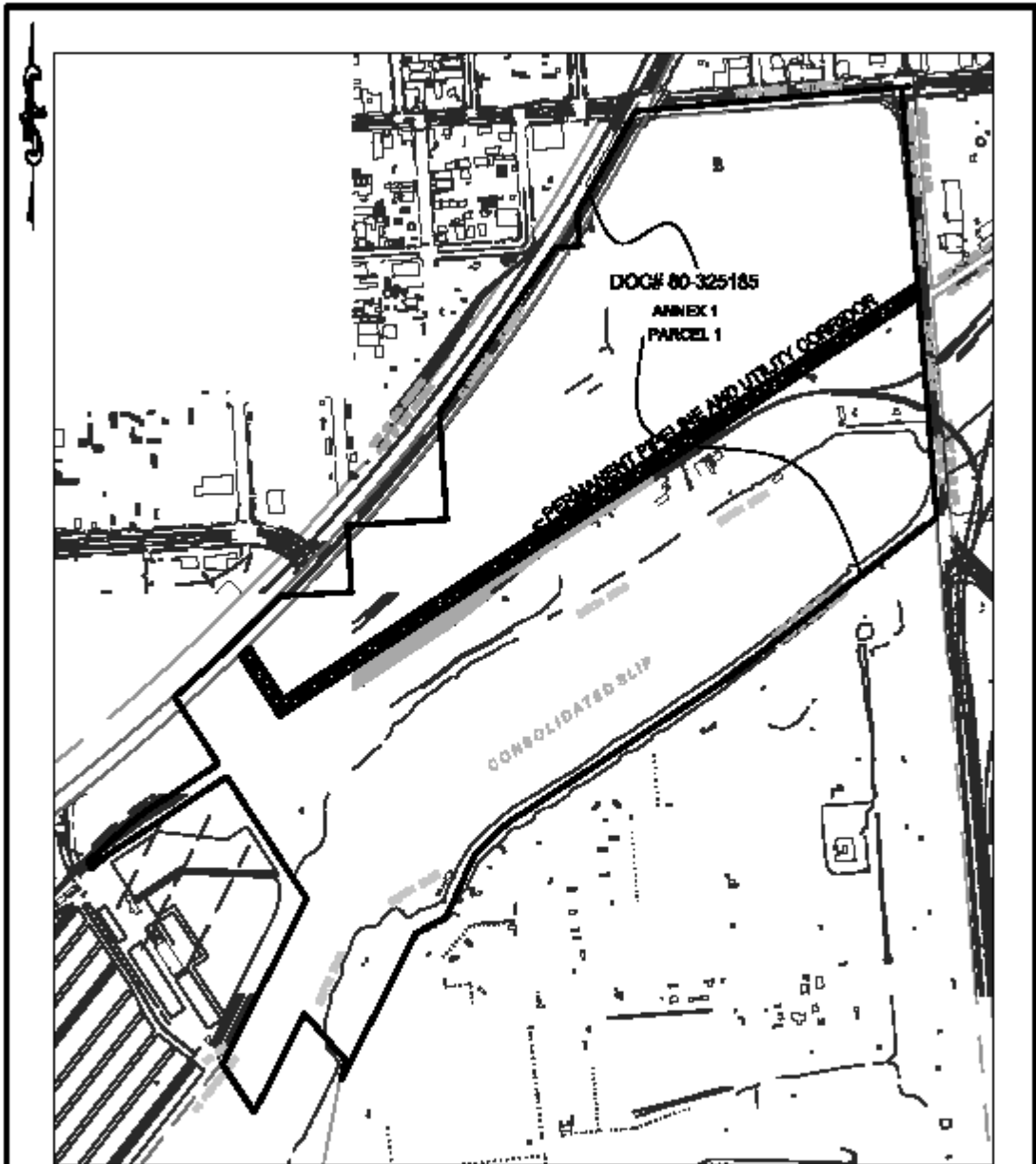
EDMUND G. BROWN, JR.
Governor, State of California

Dated: _____

Attest:

DEBRA BOWEN, Secretary of State





NOT TO SCALE

EXHIBIT A-2
TRUST TERMINATION EASEMENT

MF 8/25/11

Permanent Pipeline and Utility Corridor
 Port of Los Angeles

**CALIFORNIA STATE
 LANDS COMMISSION**



EXHIBIT B

AD 585

**LAND DESCRIPTION
PIPELINE AND UTILITY RIGHTS PUBLIC TRUST EASEMENT**

Those parcels of land in the Wilmington district situate in the City of Los Angeles, County of Los Angeles, State of California more particular described as follows:

Three (3) parcels of land described as Annex VIII, "Permanent Pipeline and Utility Rights" in that certain document entitled "Conveyance by Union Pacific Land Resources Corporation and Champion Petroleum Company to City of Los Angeles and State of California" recorded March 31, 1980 in document 80-325185 Los Angeles County records.

END OF DESCRIPTION



**EXHIBIT C
LAND DESCRIPTION TRUST TERMINATION EASEMENT**

[Still Under Revision]

DRAFT

EXHIBIT D
FORM OF AIR PRODUCTS QUITCLAIM DEED TO STATE

RECORDED AT THE REQUEST OF
AND WHEN RECORDED MAIL TO:

STATE OF CALIFORNIA
State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202
Attn: Legal Dept

STATE OF CALIFORNIA
OFFICIAL BUSINESS
Document entitled to free recordation
pursuant to Government Code Section 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

A.P.N.
S.L.C. *AD 585/G05-04*

QUITCLAIM DEED

WHEREAS, pursuant to Chapter 651, Statutes of 1929 as amended by Chapter 926, Statutes of 1979 the State of California, acting by and through the State Lands Commission (“State”), the City of Los Angeles, a municipal corporation, acting by and through its Board of Harbor Commissioners (the “City”), and Air Products and Chemicals, Inc, a Delaware Corporation (“Air Products”) have entered into a land exchange agreement with respect to certain lands in the Wilmington District of the Port of Los Angeles, Los Angeles County, State of California, the terms and conditions of which agreement are fully set forth in that certain agreement entitled the “Land Exchange Agreement to Relocate Pipeline Easement” recorded in the Official Records of the Los Angeles County, as Recorder’s Document No. _____ (the “Exchange Agreement”);

WHEREAS, the purpose of the Exchange Agreement is to relocate certain existing easements within the Berth 200 area.

WHEREAS, in 1980 the City, the State, and Union Pacific entered into a settlement which is commonly known as the “Condock I Settlement” to resolve a quiet title action over ownership of more than 225 acres of land in Wilmington District, Port of Los Angeles.

WHEREAS, Union Pacific reserved for itself a permanent pipeline and utility corridor easement in section F of Article 1.1 and more particularly described in Annex VIII in the “Conveyance by Union Pacific Land Resources Corporation and Champlin Petroleum Company to City of Los Angeles and State of California”, which was recorded on March 31, 1980 as

instrument no. 80-325185 by the County Recorder of Los Angeles County which is referred to in the Exchange Agreement as "Pipeline and Utility Rights Public Trust Easement."

WHEREAS, Ultramar Inc. was assigned a non-exclusive portion of the Pipeline and Utility Rights Public Trust Easement from Union Pacific more particularly described in the *Non-Exclusive Assignment of Easement by Union Pacific Resource Company to Beacon Oil Company*, recorded on December 22, 1988 as instrument no. 88-2049989 by the County Recorder of Los Angeles County.

WHEREAS, Ultramar Inc. conveyed a portion of the permanent pipeline and utility corridor to Air Products herein referred to in the Exchange Agreement as the "Pipeline and Utility Rights Public Trust Easement." The Bill of Sale and Partial Assignment was recorded February 26, 2008 as instrument no. 20080331363.

WHEREAS, the City of Long Beach, as the successor in interest to Union Pacific, conveyed to Ultramar Inc. all its right title and interest in and to the Pipeline and Utility Rights Public Trust Easement which was recorded on June 17, 2011 as instrument no. 20110826787 by the County Recorder of Los Angeles County.

WHEREAS, Ultramar Inc. has conveyed a corrected quitclaim deed to Air Products for the Pipeline and Utility Rights Public Trust Easement which was recorded _____ as instrument no. _____.

WHEREAS, pursuant to the Exchange Agreement, it is the intent of Air Products to convey its entire interest, in and to, the Pipeline and Utility Rights Public Trust Easement more particularly described as that right to an easement appurtenant in the real property situated in the County of Los Angeles, State of California, as described in the attached Exhibit 1, together with all other rights-of-ways, easements, rights, privileges and appurtenances held or owned by or of Air Products in the real property described in Exhibit 2, to the State.

WHEREAS, the State Lands Commission, at its public meeting in Sacramento, California on June 23, 2011, approved Minute Item No.115, which authorizes the Exchange Agreement and associated agreements and documents; and has consented to accepting the Quitclaim Deed.

NOW, THEREFORE, AIR PRODUCTS AND CHEMICALS, INC. does hereby REMISE, RELEASE AND FOREVER QUITCLAIM to the State its entire interest in the Pipeline and Utility Rights Public Trust Easement, more particularly in described Exhibit 1, together with all other rights-of-ways, easements, rights, privileges and appurtenances held or owned by or of Air Products in the real property described in Exhibit 2.

DATE: _____

AIR PRODUCTS AND CHEMICALS, INC.

By: _____

EXHIBIT E
FORM OF STATE'S CERTIFICATE OF ACCEPTANCE FOR AIR PRODUCTS' DEED

RECORDED AT THE REQUEST OF
AND WHEN RECORDED MAIL TO:

STATE OF CALIFORNIA
State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202
Attn: Legal Division

STATE OF CALIFORNIA
OFFICIAL BUSINESS
Document entitled to free recordation
pursuant to Government Code Section 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

A.P.N.
S.L.C. *AD 558*

CERTIFICATE OF ACCEPTANCE AND CONSENT TO RECORDING
Government Code 27281

This is to certify that the STATE OF CALIFORNIA, acting by and through the CALIFORNIA STATE LANDS COMMISSION, an agency of the STATE OF CALIFORNIA, hereby accepts from the AIR PRODUCTS AND CHEMICALS, INC., a Quitclaim Deed dated _____, 2011, of which a true and correct copy is attached hereto, of all of AIR PRODUCTS AND CHEMICALS, INC.'s right, title and interest in real property described therein.

The STATE OF CALIFORNIA, acting by and through the CALIFORNIA STATE LANDS COMMISSION, an agency of the STATE OF CALIFORNIA, hereby consents to the recordation of this conveyance in the Office of the Recorder for the County of Los Angeles.

The said interests in real property are accepted by the STATE OF CALIFORNIA, in its sovereign capacity in trust for the people of the state, as real property of the legal character of tidelands and submerged lands.

[Remainder of page intentionally left blank]

This acceptance and consent to recording is executed by and on behalf of the STATE OF CALIFORNIA by the CALIFORNIA STATE LANDS COMMISSION, acting pursuant to law, as approved by Minute Item No. C 115 of its public meeting in Sacramento, California on June 23, 2011 by its duly authorized undersigned officer.

STATE OF CALIFORNIA

CALIFORNIA STATE LANDS COMMISSION

Dated: _____ By: _____

CURTIS FOSSUM

Executive Officer

DRAFT

EXHIBIT F
FORM OF STATE QUITCLAIM DEED TO CITY

RECORDED AT THE REQUEST OF
AND WHEN RECORDED MAIL TO:

STATE OF CALIFORNIA
State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202
Attn: Legal Dept

STATE OF CALIFORNIA
OFFICIAL BUSINESS
Document entitled to free recordation
pursuant to Government Code Section 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

A.P.N.
S.L.C. *AD 585/G05-04*

STATE OF CALIFORNIA
QUITCLAIM DEED

WHEREAS, pursuant to Chapter 651, Statutes of 1929 as amended by Chapter 926, Statutes of 1979 the State of California, acting by and through the State Lands Commission (“State”), the City of Los Angeles, a municipal corporation, acting by and through its Board of Harbor Commissioners (the “City”), and Air Products and Chemicals Inc., a Delaware Corporation (“Air Products”), have entered into a land exchange agreement with respect to certain lands in the Wilmington District of the Port of Los Angeles, Los Angeles County, State of California, the terms and conditions of which agreement are fully set forth in that certain agreement entitled the “Land Exchange Agreement to Relocate Pipeline Easement” recorded in the Official Records of the Los Angeles County, as Recorder’s Document No. _____ (the “Exchange Agreement”);

WHEREAS, the purpose of the Exchange Agreement is to relocate certain existing easements within the Berth 200 area.

WHEREAS, pursuant the Exchange Agreement, Air Products has conveyed its entire interest by Quitclaim Deed, more particularly described in Exhibit 1 attached, in the permanent pipeline and utility corridor easement, which is referred to in the Exchange Agreement as the “Pipeline and Utility Rights Public Trust Easement,” to the State.

WHEREAS, the State has accepted the Pipeline and Utility Rights Public Trust Easement and impressed it with the public trust.

WHEREAS, pursuant to the Exchange Agreement, it is the intent of the State to convey any right, title and interest it acquired from Air Products, in the Pipeline and Utility Rights Public Trust Easement, to the City in trust.

WHEREAS, the State Lands Commission, at its public meeting in Sacramento, California on June 23, 2011, approved Minute Item No.115, which authorizes the Exchange Agreement and associated agreements and documents.

NOW, THEREFORE,

The STATE of CALIFORNIA, acting by and through the STATE LANDS COMMISSION, does hereby REMISE, RELEASE AND FOREVER QUITCLAIM to the City, in trust, its entire interest in the Pipeline and Utility Rights Public Trust Easement as described in Exhibit 1 attached.

[Remainder of page intentionally left blank]

IN APPROVAL WHEREOF, I, EDMUND G. BROWN, JR., Governor of the State of California, have set my hand and caused the seal of the State of California to be hereunto affixed pursuant to Section 6107 of the Public Resources Code of the State of California. Given under my hand at the City of Sacramento this ____ day of _____, two thousand eleven.

EDMUND G. BROWN, JR.
Governor

DRAFT

Attest:

SECRETARY OF STATE

EXHIBIT G
FORM OF CITY'S GRANT DEED TO STATE

RECORDED AT THE REQUEST OF
AND WHEN RECORDED MAIL TO:

STATE OF CALIFORNIA
State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202
Attn: Legal Dept

STATE OF CALIFORNIA
OFFICIAL BUSINESS
Document entitled to free recordation
pursuant to Government Code Section 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

A.P.N.
S.L.C. *AD 585/G05-04*

GRANT DEED

WHEREAS, pursuant to Chapter 651, Statutes of 1929 as amended by Chapter 926, Statutes of 1979 the State of California, acting by and through the State Lands Commission ("State"), the City of Los Angeles, a municipal corporation, acting by and through its Board of Harbor Commissioners (the "City"), and Air Products and Chemicals, Inc. a Delaware Corporation ("Air Products") have entered into a land exchange agreement with respect to certain lands in the Wilmington District of the Port of Los Angeles, Los Angeles County, State of California, the terms and conditions of which agreement are fully set forth in that certain agreement entitled the "Land Exchange Agreement to Relocate Pipeline Easement" recorded in the Official Records of the Los Angeles County, as Recorder's Document No. _____ (the "Exchange Agreement");

WHEREAS, the purpose of the Exchange Agreement is to relocate certain existing easements within the Berth 200 area.

WHEREAS, in 1980 the City, the State, and Union Pacific entered into a settlement which is commonly known as the "Condock I Settlement" to resolve a quiet title action over ownership of more than 225 acres of land in Wilmington District, Port of Los Angeles. Union Pacific reserved a permanent pipeline and utility corridor easement in section F of Article 1.1 and more particularly described in Annex VIII in the "Conveyance by Union Pacific Land Resources Corporation and Champlin Petroleum Company to City of Los Angeles and State of California", which was recorded on March 31, 1980 as instrument no. 80-325185 by the County Recorder of Los Angeles County which is referred to hereinafter as the "Condock Conveyance." A portion of the permanent pipeline and utility corridor easement was conveyed to Ultramar.

WHEREAS, Ultramar Inc. conveyed a portion of the permanent pipeline and utility corridor to Air Products herein referred to in the Exchange Agreement as the "Pipeline and Utility Rights Public Trust Easement." The Bill of Sale and Partial Assignment was recorded February 26, 2008 as instrument no. 20080331363.

WHEREAS, Ultramar Inc. received corrected quitclaim deed from the City of Long Beach conveying its right, title and interest in the permanent pipeline and utility corridor easement which was recorded on June 17, 2011 as instrument no. 20110826787.

WHEREAS, Ultramar Inc. has conveyed a corrected quitclaim deed to Air Products for the Pipeline and Utility Rights Public Trust Easement which was recorded _____ as instrument no. _____.

WHEREAS, through the Exchange Agreement, Air Products conveyed its entire interest in the Pipeline and Utility Rights Public Trust Easement to the State which was conveyed to the City in trust.

WHEREAS, pursuant to the Exchange Agreement, it is the intent of City to grant to the State a permanent non-exclusive easement for purposes of constructing, maintaining, repairing, using and replacing one existing pipelines known as the C-904 pipeline that certain real property more particularly described in the attached Exhibit 1, along with the rights of ingress and egress in, on, over, across and under said real property for the purpose of access to construct, maintain, assess and remediate contamination (as necessary), repair and replace said pipeline for so long as the easement areas are used for said purposes ("Trust Termination Easement").

WHEREAS, the State Lands Commission, at its public meeting in Sacramento, California on June 23, 2011, approved Minute Item No.115, which authorizes the Exchange Agreement and associated agreements and documents; and

NOW, THEREFORE,

The CITY OF LOS ANGELES, acting by and through its BOARD OF HARBOR COMMISSIONERS, hereby grants to the State a permanent non-exclusive easement for purposes of constructing, maintaining, repairing, using, and replacing one existing pipeline known as the C-904 pipeline beneath the surface of that certain real property more particularly described in the attached Exhibit 1, along with the right of ingress and egress in, on, over, across and under said real property for the purpose of access to construct, maintain, assess and remediate contamination (as necessary), repair and replace said pipeline for so long as the easement area is used for said purposes.

The City expressly reserves for itself, its successors and assigns, the right to use the easement area, or to grant other easements or licenses at the same location so long as such use/uses does/do not unreasonably interfere with the rights herein granted. This Trust Termination Easement is subject to all liens, encumbrances, covenants, conditions, restrictions, reservations, contracts,

leases and licenses, easements, and rights of way pertaining to the property, whether or not of record. The City may relocate the Trust Termination Easement if in the opinion of City it unreasonably interferes with the present or future use by City of City's land, however such relocation shall be at City's sole cost and expense.

Date _____

City of Los Angeles

DRAFT

EXHIBIT H
FORM OF STATE CERTIFICATE OF ACCEPTANCE FOR CITY GRANT DEED

RECORDED AT THE REQUEST OF
AND WHEN RECORDED MAIL TO:

STATE OF CALIFORNIA
State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202
Attn: Legal Division

STATE OF CALIFORNIA
OFFICIAL BUSINESS
Document entitled to free recordation
pursuant to Government Code Section 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

A.P.N.
S.L.C. *AD 585*

CERTIFICATE OF ACCEPTANCE AND CONSENT TO RECORDING
Government Code 27281

This is to certify that the STATE OF CALIFORNIA, acting by and through the CALIFORNIA STATE LANDS COMMISSION, an agency of the STATE OF CALIFORNIA, hereby accepts from the CITY OF LOS ANGELES, acting by and through its BOARD OF HARBOR COMMISSIONERS a Grant Deed dated _____, 2011, of which a true and correct copy is attached hereto, of all the CITY OF LOS ANGELES' right, title and interest in real property described therein.

The STATE OF CALIFORNIA, acting by and through the CALIFORNIA STATE LANDS COMMISSION, an agency of the STATE OF CALIFORNIA, hereby consents to the recordation of this conveyance in the Office of the Recorder for the County of Los Angeles.

The said interests in real property are accepted by the STATE OF CALIFORNIA, acting by and through the CALIFORNIA STATE LANDS COMMISSION.

[Remainder of page intentionally left blank]

This acceptance and consent to recording is executed by and on behalf of the STATE OF CALIFORNIA by the CALIFORNIA STATE LANDS COMMISSION, acting pursuant to law, as approved by Minute Item No. C 115 of its public meeting in Sacramento, California on June 23, 2011 by its duly authorized undersigned officer.

STATE OF CALIFORNIA
CALIFORNIA STATE LANDS COMMISSION

Dated: _____ By: _____

CURTIS FOSSUM
Executive Officer

DRAFT

EXHIBIT I
FORM OF STATE'S QUITCLAIM DEED TO AIR PRODUCTS

RECORDED AT THE REQUEST OF
AND WHEN RECORDED MAIL TO:

STATE OF CALIFORNIA
State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202
Attn: Legal Dept

STATE OF CALIFORNIA
OFFICIAL BUSINESS
Document entitled to free recordation
pursuant to Government Code Section 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

A.P.N.
S.L.C. *AD 585/G05-04*

STATE OF CALIFORNIA
QUITCLAIM DEED

WHEREAS, pursuant to Chapter 651, Statutes of 1929 as amended by Chapter 926, Statutes of 1979 the State of California, acting by and through the State Lands Commission ("State"), the City of Los Angeles, a municipal corporation, acting by and through its Board of Harbor Commissioners (the "City"), and Air Products and Chemicals, Inc. a Delaware corporation ("Air Products") have entered into a land exchange agreement with respect to certain lands in the Wilmington District of the Port of Los Angeles, Los Angeles County, State of California, the terms and conditions of which agreement are fully set forth in that certain agreement entitled the "Land Exchange Agreement to Relocate Pipeline Easement" recorded in the Official Records of the Los Angeles County, as Recorder's Document No. _____ (the "Exchange Agreement");

WHEREAS, the purpose of the Exchange Agreement is to relocate certain existing easements within the Berth 200 area.

WHEREAS, in 1980 the City, the State, and Union Pacific (defined in the Exchange Agreement) entered into a settlement which is commonly known as the "Condock I Settlement" to resolve a quiet title action over ownership of more than 225 acres of land in Wilmington District, Port of Los Angeles. Union Pacific reserved a permanent pipeline and utility corridor easement in section F of Article 1.1 and more particularly described in Annex VIII in the "Conveyance by Union Pacific Land Resources Corporation and Champlin Petroleum Company to City of Los Angeles and State of California", which was recorded on March 31, 1980 as

instrument no. 80-325185 by the County Recorder of Los Angeles County which is referred to hereinafter as the "Condock Conveyance." In about 1987 Champlin Petroleum Company changed its name to Union Pacific Resources Company. In 1988, Union Pacific Resources Company assigned a portion of its rights in the permanent pipeline and utility corridor to Beacon Oil Company, a Nevada Corporation, that portion being the non-exclusive right to operate, maintain, repair and replace seven particularly described subsurface pipelines. The Non-Exclusive Assignment of Easement was recorded on December 22, 1988 as instrument no. 88-2049989 by the County Recorder of Los Angeles County. In 1989, Beacon Oil Company changed its name to Ultramar Inc. In 1994 Union Pacific Land Resources Company sold, among other things, its interest in Annex VIII to the City of Long Beach. By Document No. 20110826787 recorded on June 17, 2011, the City of Long Beach deeded its interest in the permanent pipeline and utility corridor easement described in Annex VIII to Ultramar.

WHEREAS, Ultramar Inc. conveyed a portion of the permanent pipeline and utility corridor to Air Products herein referred to in the Exchange Agreement as the "Pipeline and Utility Rights Public Trust Easement." The Bill of Sale and Partial Assignment was recorded February 26, 2008 as instrument no. 20080331363.

WHEREAS, Ultramar Inc. received corrected quitclaim deed from the City of Long Beach conveying its right, title and interest in the permanent pipeline and utility corridor easement which was recorded on June 17, 2011 as instrument no. 20110826787.

WHEREAS, Ultramar Inc. has conveyed a corrected quitclaim deed to Air Products for the Pipeline and Utility Rights Public Trust Easement which was recorded _____ as instrument no. _____.

WHEREAS, through the Exchange Agreement, Air Products has conveyed its entire interest in the permanent pipeline and utility corridor easement, which is referred to in the Exchange Agreement as the "Pipeline and Utility Rights Public Trust Easement," to the State which has been conveyed to the City, in trust.

WHEREAS, pursuant to the Exchange Agreement, the City has granted to the State a permanent non-exclusive easement for purposes of constructing, maintaining, repairing, using and replacing one existing pipelines known as the C-904 pipeline referred to as the "Trust Termination Easement."

WHEREAS, pursuant to the Exchange Agreement, it is the intent of the State to convey any right, title and interest it has in the Trust Termination Easement, free of the public trust, to Air Products, pursuant to the Grant Deed attached as Exhibit 1.

WHEREAS, the State does not intend to terminate any public trust interest or state sovereign title in lands other than that existing solely within the Trust Termination Easement being conveyed to Air Products.

WHEREAS, the City has conveyed by the aforementioned Grant Deed to the State the Trust Termination Easement.

WHEREAS, the State Lands Commission, at its public meeting in Sacramento, California on June 23, 2011, approved Minute Item No. 115, which authorizes the Exchange Agreement, its exhibits and associated agreements and documents; and

WHEREAS, the State, acting by and through the Executive Officer of its State Lands Commission pursuant to Minute Item No. 115, has accepted the Grant Deed of the City for the Easement.

NOW, THEREFORE,

The STATE of CALIFORNIA, acting by and through the STATE LANDS COMMISSION, does hereby REMISE, RELEASE AND FOREVER QUITCLAIM to Air Products its interest in the Trust Termination Easement, pursuant to the Grant Deed attached as Exhibit 1, free of the public trust.

The State expressly reserves for themselves and the City, their successors and assigns, the right to use the easement areas, or to grant other easements or licenses at the same location so long as such use/uses does/do not unreasonably interfere with the rights herein granted. This Trust Termination Easement is subject to all liens, encumbrances, covenants, conditions, restrictions, reservations, contracts, leases and licenses, easements, and rights of way pertaining to the property, whether or not of record. The State or the City may relocate the Trust Termination Easement if in the opinion of City it unreasonably interferes with the present or future use by City of City's land, however such relocation shall be at City's sole cost and expense.

[Remainder of page intentionally left blank]

IN APPROVAL WHEREOF, I, EDMUND G. BROWN, JR., Governor of the State of California, have set my hand and caused the seal of the State of California to be hereunto affixed pursuant to Section 6107 of the Public Resources Code of the State of California. Given under my hand at the City of Sacramento this ____ day of _____, two thousand eleven.

EDMUND G. BROWN, JR.
Governor

DRAFT

Attest:

SECRETARY OF STATE